S. HRG. 101-909

NOMINATIONS BEFORE THE SENATE ARMED SERVICES COMMITTEE, SECOND SESSION, 101ST CONGRESS

HEARINGS

BEFORE THE

COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

ON

NOMINATIONS OF

DOUGLAS A. BROOK (FEB. 21); STEPHEN K. CONVER (FEB. 21); WILLIAM J. HAYNES, II (FEB. 21); ENRIQUE MENDEZ, JR. (FEB. 21); COLLIN R. McMILLAN (FEB. 21); ADM. DAVID E. JEREMIAH (FEB. 22); DONALD J. YOCKEY (MAR. 6); CHARLES M. HERZFELD (MAR. 6); GERALD A. CANN (MAR. 6); JACQUELINE E. SCHAFER (MAR. 6); LT. GEN. CARL W. STINER (MAY 22 AND JUNE 21); ADM. FRANK B. KELSO, II (JUNE 14 AND 21); GEN. MICHAEL J. DUGAN (JUNE 14 AND 21); GILBERTO GUARDIA FABREGA (JUNE 21); RICHARD A. CLAYTOR (SEPT. 28); GEN. MERRILL A. McPEAK (OCT. 24)

FEBRUARY 21, 22; MARCH 6; MAY 22; JUNE 14, 21; SEPTEMBER 28, OCTOBER 24, 1990

Printed for the use of the Committee on Armed Services

U.S. GOVERNMENT PRINTING OFFICE
27-593 ⇒ WASHINGTON : 1991

S 201-14

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

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CONTENTS

CHRONOLOGICAL LIST OF WITNESSES

FEBRUARY 21, 1990

Page

Nominations of Douglas A. Brook, to be Assistant Secretary of the Army (Financial Management); Stephen K. Conver, to be Assistant Secretary of the Army (Research, Development and Acquisition); William J. Haynes, II, to be General Counsel of the Army; Enrique Mendez, Jr., to be Assistant Secretary of Defense (Health Affairs); and Colin R. McMillan, to be Assistant Secretary of Defense (Production and Logistics) 1

Statements of:

Thurmond, Hon. Strom, a U.S. Senator from the State of South Carolina 4
Dickinson, Hon. William, a U.S. Representative in Congress from the State of Alabama 6
Domenici, Hon. Pete V., a U.S. Senator from the State of New Mexico 7
Richardson, Hon. Bill, a U.S. Representative in Congress from the State of New Mexico 8
Skeen, Hon. Joe, a U.S. Representative in Congress from the State of New Mexico 8
Bingaman, Hon. Jeff, a U.S. Senator from the State of New Mexico 9
Warner, Hon. John, a U.S. Senator from the State of Virginia 10
Brook, Douglas Alan, of Virginia, to be an Assistant Secretary of the Army, vice Ken Kramer, resigned 10
Conver, Stephen Kay, of Virginia, to be an Assistant Secretary of the Army, vice Jay Raymond Sculley, resigned 11
Haynes, William James, II, of North Carolina, to be General Counsel of the Army [new position — P.L. 100-456] 12
Mendez, Enrique, Jr., M.D., of Puerto Rico, to be an Assistant Secretary of Defense, vice William E. Mayer, resigned 18
McMillan, Colin Riley, of New Mexico, to be an Assistant Secretary of Defense, vice Jack Katzen, resigned 20

FEBRUARY 22, 1990

Nomination of Adm. David E. Jeremiah, to be Vice Chairman of the Joint Chiefs of Staff 113

Statement of:

Jeremiah, Adm. David E., to be Vice Chairman of the Joint Chiefs of Staff 116

MARCH 6, 1990

Nominations of Donald J. Yockey to be Deputy Under Secretary of Defense for Acquisition; Charles M. Herzfeld to be Director of Research and Engineering; Gerald A. Cann to be Assistant Secretary of the Navy (Research, Development, and Acquisition); and Jacqueline E. Schafer to be Assistant Secretary of the Navy (Installations and Environment) 159

Statements of:

Yockey, Donald J., to be Deputy Under Secretary of Defense for Acquisition 162
Herzfeld, Dr. Charles M., to be Director of Defense Research and Engineering. 163
Cann, Gerald A., to be Assistant Secretary of the Navy for Research, Development, and Acquisition 171

Page

Schafer, Jacqueline E., to be Assistant Secretary of the Navy for Installations and Environment 172

May 22, 1990

Nomination of Lt. Gen. Carl W. Stiner, USA, to be General and Commander in Chief, U.S. Special Operations Command 245

Statement of

Stiner, Carl, Lieutenant General, USA, to be General and Commander in Chief, U.S. Special Operations Command 248

June 14, 1990

Nomination of Adm. Frank B. Kelso, II, USN, to be Chief of Naval Operations 299

Statement of:

Kelso, Adm. Frank B., II, USN, to be Chief of Naval Operations 302

Nomination of Gen. Michael J. Dugan, USAF, to be Chief of Staff of the United States Air Force 387

Statements of:

McCain, Hon. John, U.S. Senator from the State of Arizona 389

Dugan, Gen. Michael J., USAF, to be Chief of Staff of the United States Air Force 390

June 21, 1990

To vote on the nominations of: Lt. Gen. Carl W. Stiner, USA, to be General and Commander in Chief, U.S. Special Operation Command; Adm. Frank B. Kelso, II, USN, to be Chief of Naval Operations; Gen. Michael J. Dugan, USAF, to be Chief of Staff of the United States Air Force, and various routine military nominations 427

Nomination of Mr. Gilberto Guardia Fabrega to be Administrator of the Panama Canal Commission 439

Statement of:

Guardia, Gilberto Fabrega, to be Administrator of the Panama Canal Commission 441

September 28, 1990

Nomination of Richard A. Claytor, to be Assistant Secretary of Energy for Defense Programs 463

Statements of:

Warner, Hon. John, U.S. Senator from the State of Virginia 466

Claytor, Richard A., to be Assistant Secretary of Energy for Defense Programs 467

October 24, 1990

Nomination of Gen. Merrill A. McPeak, USAF, to be Chief of Staff, U.S. Air Force 535

Statements of:

Inouye, Hon. Daniel K., a United States Senator from the State of Hawaii 537

Stevens, Hon. Ted, a United States Senator from the State of Alaska 538

McPeak, Gen. Merrill A., USAF, to be Chief of Staff, U.S. Air Force 539

NOMINATIONS OF DOUGLAS A. BROOK, TO BE ASSISTANT SECRETARY OF THE ARMY (FINANCIAL MANAGEMENT); STEPHEN K. CONVER, TO BE ASSISTANT SECRETARY OF THE ARMY (RESEARCH, DEVELOPMENT AND ACQUISITION); WILLIAM J. HAYNES, II, TO BE GENERAL COUNSEL OF THE ARMY; ENRIQUE MENDEZ, JR., TO BE ASSISTANT SECRETARY OF DEFENSE (HEALTH AFFAIRS); AND COLIN R. McMILLAN, TO BE ASSISTANT SECRETARY OF DEFENSE (PRODUCTION AND LOGISTICS)

WEDNESDAY, FEBRUARY 21, 1990

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 2:08 p.m., in room SR-222, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Committee members present: Senators Nunn, Exon, Levin, Bingaman, Dixon, Glenn, Warner, Thurmond, Gorton and Lott.

Other Senators present: Senator DeConcini.

Congressmen present: Congressman Dickinson, Congressman Skeen, and Congressman Richardson.

Committee staff members present: Arnold L. Punaro, staff director; Andrew S. Effron, general counsel; Madelyn R. Creedon, counsel; and Daniel G. Sakura, research assistant.

Professional staff members present: Richard E. Combs, Jr.; John J. Hamre; David S. Lyles; Michael J. McCord; and Frederick F.Y. Pang.

Minority staff members present: Patrick A. Tucker, minority staff director and counsel; Romie L. Brownlee, deputy staff director for the minority; Jonathan L. Etherton, George K. Johnson, Jr., and George W. Lauffer, professional staff members.

Staff assistants present: Barbara L. Braucht and Debra A. Rice.

Committee members' assistants present: Andrew W. Johnson, assistant to Senator Exon; Kenneth N. Luongo, assistant to Senator Levin; John Gerhart, assistant to Senator Bingaman; Charles C. Smith, assistant to Senator Dixon; Phillip P. Upschulte, assistant to Senator Glenn; Terence M. Lynch, assistant to Senator Shelby;

Grayson F. Winterling, assistant to Senator Warner; and Robert M. Soofer, assistant to Senator Gorton.

OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman NUNN. The committee will come to order.

The committee meets today to consider nominees for five senior positions in the Department of Defense. The first panel—and we will have two panels—will consist of nominees for the three positions in the Army: Assistant Secretary for Financial Management; Assistant Secretary for Research, Development, and Acquisition; and General Counsel.

For the second panel, we will hear from the nominees to be Assistant Secretary of Defense for Health Affairs and Assistant Secretary of Defense for Production and Logistics.

I suggest we proceed in the following manner since we have a large number of nominees with us here this afternoon. After I make a few brief remarks, I will turn to Senator Thurmond for purposes of introduction. Then I will turn to Senator Warner for any introductory remarks that he may have. Then we will hear from our colleagues in the Senate and the House who will introduce nominees from both panels.

We are glad to have our Members of the House as guests here today and we welcome each of you. We hope to expedite your part of this nomination proceeding because we know you have a very heavy load. We will do that as rapidly as we can.

I want to welcome the nominees, their families and their guests this afternoon.

Mr. Douglas Brook has been nominated by the President to be the Assistant Secretary of the Army for Financial Management. He is accompanied by his wife, Marianna, I understand.

Mrs. Brook, if you will hold up your hand, we will recognize you.

Comptroller General Bowsher has recently emphasized the key role played by financial managers in the Executive Branch in monitoring and detecting early signs that a program may be subject to fraud, waste, or abuse. As the size of the defense budget is reduced, it is more important than ever that the remaining dollars be spent wisely.

We will expect our financial management officials to take a leading role in insuring the integrity of our defense programs.

Mr. Stephen K. Conver has been nominated by the President for the position of Assistant Secretary of the Army for Research, Development and Acquisition.

The Assistant Secretary will play a key role within the Army in the implementation of Secretary Cheney's Defense Management Report.

Steve is well known to members of this committee and is highly respected for his service as a Deputy Assistant Secretary of the Air Force, as well as for his current duties as a senior staff member for the House Armed Services Committee.

I know all of us have enjoyed working with Steve over the years in conference.

He is accompanied today by his wife, Nan, and his son, Andy. We are delighted to have both of you here today.

He will be introduced by our good friend, Congressman Bill Dickinson, the ranking minority member of the House Armed Services Committee.

Bill, we are delighted to have you.

Mr. William James Haynes, II, has been nominated by the President to be the General Counsel of the Army. He is accompanied by his parents, retired Air Force Colonel and Mrs. William J. Haynes, his wife, Margaret, who I understand is from Noonan, GA—we are delighted to have you here—his son, Will, and his daughter, Sarah.

He will be introduced by our colleague, Senator Thurmond, who will lead off the introductions.

The General Counsel must advise the Secretary of the Army on the wisdom, as well as the legality, of a broad range of Army activities. Because the General Counsel is key to the integrity of the programs of the military departments, this committee recently initiated legislation requiring that nominees to the position be confirmed by the Senate.

Jim Haynes is the first nominee for General Counsel of the Army to appear before our committee under this new law.

Mr. Haynes, we are glad to have you.

Jim is a member of the Georgia Bar. He previously served in the General Counsel's office and provided able assistance to nominees appearing before our committee.

We are pleased to have you here.

Mr. Colin McMillan has been nominated by the President for the position of Assistant Secretary of Defense for Production and Logistics.

The Assistant Secretary's duties cover a broad spectrum of issues that are the center of current attention, including acquisition policy, industrial base considerations, environmental restoration, and base closures and realignments.

The Assistant Secretary is also in a vital position to monitor and direct the implementation of Secretary Cheney's Defense Management Report.

Mr. McMillan, I am sure, as we discuss base closings, you will be a frequent visitor to Capitol Hill in the next few weeks. We welcome you here today.

Mr. McMillan had a very successful career in the private sector, primarily in the petroleum industry, and has served in the New Mexico House of Representatives, where he was Chairman of the Taxation and Revenue Committee. He will be introduced by our committee colleague, Senator Bingaman, and by our good friend from the Budget Committee, our valued colleague, Senator Domenici, as well as by our colleagues and good friends from the house, Representatives Bill Richardson, Steven Schiff, and Joe Skeen.

Dr. Enrique Mendez, Jr., has been nominated by the President to be the Assistant Secretary of Defense for Health Affairs. Dr. Mendez is accompanied today by his daughter, Carmen Flores, and his grandson, Michael.

Dr. Mendez most recently served as Secretary of Health for the Commonwealth of Puerto Rico. His background includes service as a career officer in the Army, including tours as the Deputy Surgeon General and the Commanding General of Walter Reed Medical Center.

The position to which Dr. Mendez has been nominated is certainly one of the most challenging and difficult in the Department of Defense. The Department must meet the challenge of developing adequate plans for wartime medical readiness while providing high quality medical services to our active and retired members and their families during peacetime.

The fiscal, manpower, and acquisition policy issues that confront both the CHAMPUS and the Defense Department's in-house medical facilities are as daunting as those facing the weapon acquisition process.

So, Dr. Mendez, you have a big job, and we look forward to working with you.

All the nominees have responded to the committee's pre-hearing policy questions. Their answers have been distributed to the members of the committee and are available here today.

I ask unanimous consent that the responses of each nominee be included at the appropriate point of the record.

Senator Warner, do you have any preliminary remarks?

Senator WARNER. I am going to yield to Senator Thurmond, who has to return to the Judiciary Committee.

Thank you, Mr. Chairman.

Chairman NUNN. Senator Thurmond, I will recognize you for the purpose of introductions.

STATEMENT OF HON. STROM THURMOND, U.S. SENATOR FROM THE STATE OF SOUTH CAROLINA

Senator THURMOND. Thank you very much, Mr. Chairman.

Mr. Chairman, I want to join you in welcoming all these nominees here today: Mr. Brook, Mr. Conver, Mr. Haynes, Dr. Mendez, and Mr. McMillan. They are all very competent and well-qualified.

I have had the opportunity to study their records, and I think we are fortunate to get people like this into the Government.

I also want to welcome Congressman Dickinson, the ranking member on the House Armed Services Committee, Congressman Richardson and Congressman Skeen from New Mexico, and Senator Domenici.

Mr. Chairman, it gives me great pleasure today to introduce to this committee Mr. William James Haynes, II, who has been nominated by the President to be General Counsel of the Department of the Army.

Mr. Haynes was brought up in a military family. His father, Col. Jim Haynes, a retired Air Force officer, was born in Winnsboro, S.C., and his mother, Caroline Haynes, although born in Georgia, was raised in South Carolina. [Laughter.]

Both parents are here today to share this honor with their son.

So, if he has Georgia and South Carolina blood in him, I think he stands a pretty good chance here of being approved. [Laughter.]

Mr. Haynes has gained valuable experience for the job for which he has been nominated. From 1984 to 1988, he worked in the Office of the Army General Counsel. As an assistant to the General Counsel, Mr. Haynes advised members of the Army Secretariat on a range of matters, including contract, international, environmental, real property and fiscal law issues.

He also worked as Counsel and Recorder to the Army Contract Adjustment Board.

In early 1989, Mr. Haynes served as Counsel to the Department of Defense Transition Team, where he worked closely with the Director of the Transition Team and various nominees for defense offices, advising them on a variety of legal issues related to the transition and the confirmation process.

During the latter part of 1989, Mr. Haynes served as special assistant to the Department of Defense General Counsel.

Mr. Haynes also has experience in the private sector. He has worked for the law firm of Sutherland, Asbill and Brennan. He is a member of the American Bar Association, the North Carolina State Bar, the State Bar of Georgia, and the District of Columbia Bar. He is a Phi Beta Kappa and ROTC graduate of Davidson College.

He received his law degree from Harvard Law School, but he hasn't turned left. [Laughter.]

While in law school, Mr. Haynes served on the staff of the Harvard Legal Aid Bureau. From 1983 to 1984, he served as a law clerk to the Hon. James B. McMillan, U.S. District Judge for the Western District of North Carolina.

In closing, Mr. Chairman, let me say that Mr. Haynes is an outstanding individual who has proven himself by serving in a distinguished manner in the General Counsel's Office at the Department of Defense and Army. He is an excellent choice as General Counsel to the Department of the Army.

I want to thank you, Mr. Chairman, for your courtesy and I thank Senator Warner for allowing me to go ahead of him at this time. I hope that you and my colleagues on this committee will look favorably on Mr. Haynes' nomination.

Thank you very much.

Chairman NUNN. Thank you, Senator Thurmond.

Senator Warner.

Senator WARNER. Thank you, Mr. Chairman.

I join with you and Senator Thurmond in welcoming our colleagues from the Senate and the House.

This particular moment in the careers of these five distinguished Americans will long be remembered, and the fact that the record reflects that their Member of Congress appeared is something that they will cherish always.

I can remember when I was in that very seat, seeking a position not unlike those that you are going to hopefully be appointed to. I still have that record of the hearing. It is now 20 years old this month.

In conclusion, I would simply say that I hope these distinguished men recognize that it is a partnership that they are establishing, not only with the President and the men and women of the armed forces, but also with their families.

These jobs are very challenging. The hours are long and the circumstances under which you must make decisions are tough. Your families will share in those decisions.

So I welcome not only the nominees, but also the families.

Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator Warner.

Now I believe we will go to our friend, Bill Dickinson, who will introduce Mr. Steve Conver.

Congressman Dickinson.

STATEMENT OF HON. WILLIAM DICKINSON, U.S. REPRESENTATIVE IN CONGRESS FROM THE STATE OF ALABAMA

Mr. Dickinson. Thank you, Mr. Chairman.

It is a sincere pleasure and a genuine honor for me to be here and be asked to introduce our senior minority staffer on the House Armed Services Committee, as well as a close personal friend of mine, Steve Conver.

We are sort of in an anomalous situation here in that for the last 5 years, Steve has been the senior minority staffer on the Armed Services Committee and, as such, has sat across the table backing me up as we tried to face down the two gentlemen sitting at the head of this table. I think he has done a tremendous job.

As the record will reflect, Steve is an Air Force Academy graduate. He received his bachelor's degree there. He received a master's degree from Ohio State in 1970.

He had 10 years active duty in the Air Force before leaving the Air Force and going to work in the Pentagon and with the Nuclear Regulatory Commission, where he served until 1981.

From there, he went to the Department of Air Force as Assistant Secretary for Program and Budget. So he is well rounded in the numbers crunching business and in programatics. He was outstanding there when he first came to our attention on the House Armed Services Committee.

He served in that capacity until 1985, when he came to work for us on the House Armed Services Committee, where he has served ever since.

Steve is a terribly capable person. He has even been a moderating influence on me.

Chairman Nunn. Not enough. [Laughter.]

Mr. Dickinson. He has been wise, sagacious, and incisive, and he has put in long hours. He has done a tremendous job in helping us try to work out a lot of Minority positions, but we have not done it yet.

Anyway, I am very pleased to be here to join with his family and well wishers in support of his nomination here. It has been a long time coming, and I am glad that the moment has arrived. I want to urge on the members of the committee their favorable consideration of his application, which is most well deserved.

I thank the Chair.

Chairman Nunn. Thank you very much, Congressman Dickinson.

We will next hear from Senator Domenici and Congressman Richardson, who are here to introduce Mr. McMillan.

Senator Lott. And Congressman Skeen.

Chairman Nunn. Yes, and Congressman Skeen.

STATEMENT OF HON. PETE V. DOMENICI, U.S. SENATOR FROM THE STATE OF NEW MEXICO

Senator **Domenici**. Thank you very much, Mr. Chairman and members of the committee. I am sure that you know how much we appreciate your expediting these hearings. Clearly, we have waited a long time for this day in New Mexico. You know how long it takes for somebody even as qualified as our nominee to clear this process, once that was done. I personally want to thank you, Mr. Chairman and Senator Warner, for expediting it so that we could be here today.

I am not going to go into our nominee's academic background. Obviously he has been a great success in life. I think it is more important to see what he has done since he got out of college and came to New Mexico, because I think what we need in Government is precisely what he brings.

Maybe I could put it this way: he doesn't fail at anything he undertakes. He started off with a great background in geology, but he turned an independent oil producing company into a high-tech company, respected all over the oil patch for their extreme cutting edge knowledge and technology, way out front of everyone. When many of those were not succeeding, he succeeded even during bad times, even more so.

He branched out into agriculture, and that is not an easy thing, as some of you know. Whatever he does, it works.

He got into some banking business, and he turns out chairing a bank board, and during these times of failures, they are a success.

So it seems to me that all of us in the New Mexico Delegation are proud today. Obviously this is a staunch Republican who has supported the President. But I want you to know that this entire Delegation supports this nominee. They have praised him in the media and they are here today in person. I am sure Senator Bingaman will have similar remarks.

I want to say that I believe he will do whatever job is assigned to him in a way that will make us all proud.

This is a tough job. Production and logistics does not say it all because under that are some very, very difficult chores and tasks in today's changing times.

I am confident that whatever it is he chooses to do, and in this case he chose to sacrifice, I might say to you all; it is not easy to leave what he was doing in New Mexico and comply with all our rules and regulations and come here and say, "I will give of myself."

So I think leadership and success and sacrifice have been part of his life, so long as it was something he wanted to do. With those kinds of qualities, he will succeed. He will not let the President down, he will not let this committee down, or our country, during these very, very difficult armed services and military times.

Thank you very much, Mr. Chairman and members.

Senator **Warner**. Mr. Chairman, if I could interject, we are both quite aware of your continuing interest in this nomination, Senator. But when you said that the man never fails, perhaps we should send him to the Office of Management and Budget to help you with the budget over there. [Laughter.]

Senator Warner. I mean, he may be misplaced.

Senator Domenici. Well, I don't want you to go into all the specifics. He has run for office occasionally and not won. So that might be called a failure.

Senator Warner. That was a success. [Laughter.]

Senator Domenici. Some of us today are not so sure. You might be right.

Chairman **Nunn.** Thank you very much, Senator Domenici.

Congressman Richardson, Congressman Skeen, and then Senator Bingaman, we'll let you be the cleanup hitter here for this one.

Senator **Bingaman.** That's great.

STATEMENT OF HON. BILL RICHARDSON, U.S. REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW MEXICO

Representative **Richardson.** Thank you, Senator.

On a bipartisan basis, I think Senator Domenici is correct. I am here to voice my strong support for Colin McMillan in this position.

I will not also go into his extensive background, which is quite broad for this job. He is a businessman. He is a geologist. I must say that he graduated first in his class in geology. He has been successful as a banker. He has been in the legislature. He knows finances and energy. He is the kind of detail man, Mr. Chairman, that I think we need to do what you have said, spend our money more wisely, in this position of Assistant Secretary for Production and Logistics.

I can say, as a Member of the other party, that, besides being eminently qualified, I think Colin McMillan always put his State and the country above any kind of partisan interest. I recall one time in my district in Northern New Mexico, he came to an economic development conference. He did not have to be there. He had an awful lot to offer, though. I think it shows his leadership in the civic area in our State.

I am here, Mr. Chairman, to tell you that across the board in our State, Democrats, Republicans, independents, moderates, conservatives, liberals, whoever else there is, are all very proud of this nomination.

We urge you to move it expeditiously.

Thank you, Mr. Chairman.

Chairman **Nunn.** Thank you very much, Bill. Congressman Skeen.

STATEMENT OF HON. JOE SKEEN, U.S. REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW MEXICO

Representative **Skeen.** Thank you, Mr. Chairman. I appreciate the opportunity to be here.

I don't want to eulogize this gentleman because I have known him for so long and we don't want to think maybe he is passing away here or something like that. But I do want to tell you this. In a long association with Colin McMillan, I think that you come to know a person very well and you understand him.

There is an expression down in our part of the country: when you have that kind of trust, knowledge and confidence in someone, you can ride the river with them.

Colin McMillan is the kind of person you can ride the river with. He has already contributed greatly to his state, to his community, and now he would like to do it at the national level. I think that is a great sacrifice on his part. But it is also a great contribution on the other hand.

I highly commend him to you and recommend him for this position. I think he will do an outstanding job in it because he brings a diversity and at least a knowledge of how business should work and how Government should be administered.

Thank you, Mr. Chairman.

Chairman NUNN. Thank you very much, Congressman Skeen.

Now we will turn to our colleague on this committee, one we value very much, Jeff Bingaman.

Senator DOMENICI. Senator, would you just let me intervene for one minute.

Senator BINGAMAN. Sure.

Senator DOMENICI. Mr. Chairman, I forgot something while I was talking, and I want Senator Bingaman to wrap up.

Steve Schiff, our other Congressman, would have liked to be here. He asked that we give you a letter. His father died the day before yesterday and he did not make it back in time.

Chairman NUNN. We will include that as part of the record at this point, without objection.

Senator DOMENICI. Thank you, Mr. Chairman. [The letter referred to follows:]

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, February 20, 1990.

Hon. PETE V. DOMENICI,
Dirksen Senate Office Bldg.,
Washington, DC.

DEAR PETE: I deeply regret that I cannot personally be with you and my good friend, Colin McMillan, today. However, I hope that you will advise the Senate Committee on Armed Services of my full confidence in Colin's outstanding abilities and sound judgment.

I have known Colin for more than 10 years. He is an accomplished, self-made businessperson who is highly respected in his community and throughout the entire State of New Mexico.

In these times of massive global change, it is imperative that someone of the highest caliber join Secretary of Defense Dick Cheney in evaluating and preparing for our Nation's future international challenges. That person is Colin McMillan.

Colin has certainly proven that he would be a valuable asset to our country as a public servant in the U.S. Department of Defense. I respectfully urge his swift confirmation.

Sincerely,

STEVEN SCHIFF.

STATEMENT OF HON. JEFF BINGAMAN, U.S. SENATOR FROM THE STATE OF NEW MEXICO

Senator BINGAMAN. **Thank you, Mr. Chairman. I will join my colleagues here from New Mexico. We are very pleased that Colin has been nominated for this important position.**

It is an important position and one that has tremendous managerial responsibilities. I think his background in the private sector in our State has prepared him for that.

Not only does he know the business world, he knows the political world, having worked in our State legislature and been in a key

position as head of Tax and Revenue, which is a difficult position in any State legislature, but particularly perhaps in ours.

Colin is well respected throughout our state on both sides of the political aisle. I think this is an excellent appointment that the President has made, an excellent nomination.

I do urge that our committee report him favorably and quickly so that he can get on with his work.

Chairman NUNN. Thank you very much, Senator Bingaman.

I believe if my chart is correct now, we will hear again from Senator Warner, who will introduce Mr. Brook.

STATEMENT OF HON. JOHN WARNER, U.S. SENATOR FROM THE STATE OF VIRGINIA

Senator WARNER. Thank you, Mr. Chairman.

I have had the privilege of knowing Mr. Brook for so many years. He is an individual who offered himself as a Councilman to a growing community in Virginia, small at one time, though large now; who then, following degrees in business and so forth, both undergraduate and graduate degrees, went on with the Libby Owens Ford Co., and then formed his own firm, which I understand he is going to take leave of to take on this very important assignment, together with his partner, his wife, Marianna.

We are grateful to you as citizens that you are willing to make the sacrifice. I am sure that you will enjoy the service.

You have my support; sir.

Thank you, Mr. Chairman.

Chairman NUNN. Thank you very much, Senator Warner.

I believe we have finished all of the introductions.

Dr. Mendez, you have a great advantage here over the other nominees. You are not being introduced by a Member today. [Laughter.]

Senator GLENN. I would be glad to do that, Mr. Chairman. We don't want him to feel left out. [Laughter.]

Chairman NUNN. You have great credentials, Doctor, and we are pleased to have you.

I think what I would suggest at this stage is that we have our Army nominees occupy the table, and if our other nominees would take a seat at some other location in the room, we will come back to them after we get through with the first panel.

Mr. Brook, why don't we start with you. We would be delighted to hear any comments you would like to make today.

STATEMENT OF DOUGLAS ALAN BROOK, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF THE ARMY, VICE KEN KRAMER, RESIGNED

Mr. BROOK. Thank you, Mr. Chairman.

I would simply like to thank Senator Warner for his kind remarks. We in Virginia are especially fortunate to be represented by John Warner in the Senate and on this committee. I appreciate very much your support, sir.

Senator WARNER. Thank you.

Mr. BROOK. Mr. Chairman, I would also like to thank you, the members of the committee, and the staff for scheduling this hearing in the middle of what I know is a very busy calendar. My colleagues and I appreciate it very much.

I want you to know that I take the honor that the President, the Secretary and you may confer upon me as a very serious personal responsibility. I assure you that I will be dedicated in all of my efforts to working with you to insure that in facing the challenges ahead, the end result is that we continue to have the finest Army in the world.

That is the summation of my remarks, Mr. Chairman. I would be pleased to take any questions.

[The biographical information and answered committee questions follow the hearing record.]

Chairman **Nunn**. Thank you, Mr. Brook.

We will hear from each one of our panel members, and then we will come back to you all with our questions. Mr. Conver.

STATEMENT OF STEPHEN KAY CONVER, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF THE ARMY, VICE JAY RAYMOND SCULLEY, RESIGNED.

Mr. **Conver**. Thank you very much, Mr. Chairman. I, too, would like to thank you and Senator Warner for making your time available for the hearing this afternoon. I know with the budget just coming over a few weeks ago, you are very busy with hearings from the departments and from DOD. I am sure I speak for my fellow nominees when we express our gratitude for squeezing us into your very busy schedule.

I would also like to express my gratitude to Mr. Dickinson and the other 22 members of the Armed Services Committee for whom I work directly, and also Chairman Aspin, for whom I work indirectly. I think it is fair to say, Mr. Chairman, that in my entire career, which now is spanning a rather long number of years, I have probably learned more about the defense business in the 4 years that I have spent working on the Hill for Mr. Dickinson and the time I have spent with you, Senator Warner, Chairman Aspin, and Mr. Dickinson, in our infamous "big four" meetings, than I have in all the time I spent as an Air Force Cadet, as an Air Force Officer, and as a career civil servant working in defense.

For that I am truly grateful. The time I have spent up here with you has been very, very valuable to me personally.

Mr. Chairman, I noted with some interest, as I was starting to prepare for this hearing, in looking at the Army acquisition budget for this year, that, since 1989, the Army acquisition budget, that is, the RDT&E and the procurement budget, has decreased from $20 billion to $16.6 billion. The procurement budget alone has decreased by 28 percent in the two year period.

I also notice, Mr. Chairman, that 470 days have elapsed since the Presidential election in November of 1988. So I would like to say that I am most anxious to get on the job because at the rate the Army acquisition budget is going, it may be gone by the time I get there.

So I look forward to your action upon our nominations, sir. Again, I thank you and your colleagues, personally very sincerely for everything that you have taught me over the past 4 years.

Chairman NUNN. Thank you very much, Steve. We have enjoyed working with you in your present job, and I am sure we will in your future job.

Mr. CONVER. Thank you, sir.

Chairman NUNN. Mr. Haynes.

STATEMENT OF WILLIAM JAMES HAYNES, II, OF NORTH CAROLINA, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF THE ARMY [NEW POSITION — P.L. 100-456]

Mr. HAYNES. Mr. Chairman and members of the committee, I, too, thank you for making the time to schedule us in this very busy period. In his absence, I would like to thank Senator Thurmond for his very generous introduction.

Because I have spent much of my life in association with the military, I have a great respect for our national defense institutions and the people who give it substance.

My parents, who have driven from East Tennessee in the last 2 days, made sure that, even as a child, I understood that I was part of an Air Force family, which, together, served the country, in addition to my father, who was the officer.

While at Davidson College, I was in the ROTC program. A little later on, I served as an Army Officer, and then later as a civilian.

In each of these experiences, I learned to appreciate the high quality of people serving our country and the importance of the United States military to our country and to the world.

I am grateful to the President, the Secretary of Defense, and the Secretary of the Army for this opportunity to again join the Army, if confirmed, and I look forward to working with this committee closely as much as you will let me in facing the challenges ahead.

Chairman NUNN. Thank you very much, Mr. Haynes.

Let me just ask a couple of questions.

Mr. Brook, I will start with you.

As Assistant Secretary of the Army for Financial Management, will you be responsible for the oversight of special access programs?

Mr. BROOK. Yes, sir.

It is my understanding that the Assistant Secretary for Financial Management has financial oversight responsibility for special access programs.

Chairman NUNN. Have you looked into the oversight process of those programs? Do you believe that we have sufficient oversight over the special access programs as they are now operated? By this I mean within the Executive Branch and in the Congress.

Mr. BROOK. Mr. Chairman, I think that requires some time on the job in order to answer authoritatively. I have not been able to look into those matters. But I understand your concern, and I will keep it uppermost in my mind when I do look at those matters.

Chairman NUNN. Have you looked into the effect of a possible sequester on the Army this year if we had a sequester?

Mr. BROOK. No, sir. I have not been involved in the budget process for either 1990 or 1991 yet. So I have not looked at that.

Chairman NUNN. Mr. Conver, Senator Warner, Senator Robb, and I visited our forces in Panama a few weeks ago. We heard a lot about the equipment they used. One of the things that was most apparent is that they relied, to a great extent, on very old Army equipment, but equipment that was still light in the sense of being able to be transported in. Sheridan Tanks come to mind, 30 year old tanks.

Do you have any views, after going through all that you have been through up here in the last few years, of what the future of the Army is in terms of modernizing lighter equipment, as opposed to heavy equipment?

Mr. CONVER. Yes, sir.

I think the Chief of Staff of the Army has really done a superb job in developing a vision of the Army of the future. A major portion of that vision is for a smaller Army, yet one that continues to be ready and well trained, and reasonably well equipped.

Unfortunately, the budget constraints, which seem to change almost on a monthly basis, make it increasingly difficult to buy the things that the Army has wanted to buy. Therefore, they have had to make some very tough choices.

The Chief's stated preference is for trying to reshape the Army in a way that would favor forces that are deployable, that are versatile, and that are lethal, and also forces that, by and large, are lighter.

Unfortunately, there just is not enough money to buy everything. With respect to the light armored vehicles, it is my understanding, although I am not involved in the details of this, that the Army is looking at an off-the-shelf, nondevelopmental item procurement for a vehicle to replace the Sheridan Tanks that were used in Panama.

With regard to the light forces in general, it is my understanding that there was a mixture of heavy and light forces used in Panama. The heavy forces, for the most part, were already in country. Many of the light forces were brought in.

But I think the message here is that in the future, the Army is going to have to develop forces that meet the three criteria of deployability, versatility, and high lethality.

Chairman NUNN. There are two other areas that I want to mention briefly with you today. We don't have time to get into a lot of detail. But I know you know these areas very well already.

One is armaments cooperation. In the past, we have had a real struggle, even when we were having a military buildup and the threat was growing, in getting cooperation with our NATO allies in armaments. Now that the threat is receding, particularly in Central Europe and the focus of NATO, the question of armaments cooperation is going to be, in some ways, more important, but in many ways much more difficult.

Do you have any views on that? What would be your view toward the challenge we now see in armaments cooperation?

Mr. CONVER. Senator Nunn, I think that the challenge remains. The present budget conditions will make continued cooperative R&D and procurement efforts more difficult.

As the dollars for defense decrease not only in our country but in the European and other allied countries, each government is going to have to more or less independently make its own budget decisions.

From what I have observed just in my experience on the Hill, the United States and other countries tend to make decisions that undercut the international programs, those that they are doing jointly in cooperation with other countries, as opposed to those that are domestic in nature.

Recently, the Army, I understand, has canceled the APGM program, and I think we will continue to see these kinds of pressures as the budget dollars for defense in each of the NATO and other allied countries diminish.

So, sir, to sum up, I would say the challenge that remains is as important as ever. But it would be far more difficult for those of us in the senior leadership positions to execute those international programs.

Chairman NUNN. I hope you pay some real attention to them because I think that we could see a virtual collapse of them if we are not very careful.

Mr. CONVER. Yes, sir. I agree with you.

Chairman NUNN. And then we'll get right back into everybody producing the same thing. I think it is particularly challenging right now in terms of arms control and what we hope will be a very large reduction of armaments in Europe on both sides, but primarily getting rid of the huge disparity on the Soviet-Warsaw Pact side. There is going to be an awful lot of pressure to go into arms sales all over the world.

Mr. CONVER. Yes, sir.

Chairman NUNN. I think people in the Pentagon are going to have to consider that also, particularly in light of armaments cooperation. I think the less cooperation we have in NATO, the more pressure there is going to be on the individual Western countries, let alone the Eastern countries, with their excess equipment, to sell that equipment so that they can have a larger production base.

I think all of that is going to relate together in ways that are going to be very challenging in the future.

My time has expired, but I want to ask Mr. Haynes one question.

The other thing that I would leave with you, Mr. Conver, without asking you a question on it now is the balanced technology initiative.

This was supposed to be for cutting edge, leap-frog type programs, as you know. I am increasingly getting word back that that is not the way this program is being used. I think that this program could do an awful lot of good. But it also has to be managed, and I hope you will pay some careful attention to the balanced technology initiative program.

Mr. CONVER. Yes, sir. I will.

Chairman NUNN. Mr. Haynes, you are going to be in charge of the Army ethics program, is that right? Is that under you?

Mr. HAYNES. Yes, sir.

The General Counsel is the designated agency ethics officer in the Army.

Chairman NUNN. You also will be in charge of a lot of the environmental matters.

Mr. HAYNES. Well, the Assistant Secretary for Installations, Logistics, and Environment actually has policy-making responsibility for environmental issues in the Department. But, as General Counsel, and as Mrs. Livingston's Legal Adviser, the General Counsel should and will play a role, if I am confirmed, in environmental policy-making and, of course, will take positions in both litigation and other environmental activity within the Department.

Chairman NUNN. Have you looked carefully yet at the Ethics Reform Act of 1989, which revised the laws on post-employment restrictions and also suspended for one year a number of other revolving door laws?

Mr. HAYNES. I hesitate to say that I have looked closely at it because I can perhaps guess what is coming next. I have read it. It is part of a complex panoply of ethics rules. I know it is going to warrant further study on my part.

Chairman NUNN. Well, we will be working with you on that. I think there are going to be a lot of challenges for you and the Department in implementation and those of us in Congress, in terms of reviewing and oversight and seeing what works and what does not work in the next couple of years. We made a lot of changes. Senator Bingaman.

Senator BINGAMAN. Mr. Chairman, I would just follow up on that and indicate that I do think the issue of post-employment restrictions is one which we struggled with last year. I know we wound up just putting the whole thing off, or suspending the effect of the existing law for a year. I think that means that we are going to be back at it again this year.

You have the opportunity, sir, to really give that some attention here. We would be anxious to get your input as to what could be done to make that a workable system.

Obviously, there is an interest in avoiding the abuses that result from the revolving door. There is also an interest in getting good people into the key positions that we have in Government. We are dependent upon people in many cases who would like to be able to pursue a career afterwards.

So it is a crucial issue, and one that we have spent a lot of time on. I would just underscore that.

Mr. HAYNES. Senator, I can assure you that it will receive a great deal of attention. It is an important issue, not only for the Army, but for each individual who works there or who might work there.

Senator BINGAMAN. That is all I had, Mr. Chairman. Thank you.

Chairman NUNN. Thank you, Senator Bingaman. Senator Glenn.

Senator GLENN. Thank you, Mr. Chairman.

I don't have any questions. I just want to make a comment to Steve.

I think you are going into one of the most important positions in the Army. I say that at a time when we are going to be scaling down over the next several years. That is tougher than building up.

As we scale down—and I am not one who is rapidly trying to spend the peace dividend or anything like that; I think it is premature, and I think we have to stay very strong—but as we gradually scale down over the next few years, the one area that I feel we absolutely should not cut down on any, and that I will be fighting over here to maintain for all the services and the Defense Department, is the research area.

We have to stay ahead technologically, I feel, and if we ever have to build up again—God forbid—but if we ever have to build up again, it had better be from a base of knowing what we are doing and having the best technological base.

You know, you know your way around the Hill over here all right, and I would hope that, as you try to fulfill your mission over there and that research function, if you are having any problem with it, you would let us know over here. Some of us feel very, very strongly that in a time of retrenchment and cut-back, which we will be doing over the next four or five years, there isn't very much doubt about that, the one area where we should not cut back I think is research.

That is not a question. It is a comment more than a question.

Mr. CONVER. Senator Glenn, if I might make a comment on that, I think the Army is committed to a strong technology base. In the 1991 Army budget that you have just received, even though we are looking in the face of vast procurement reductions—as you know well, cutting the tank production, cutting the Apache helicopter, cutting the AHIP and other programs—notwithstanding all that, the tech base in the Army is programmed to grow at 2 percent per year over the Five Year Defense Plan. I think the Army leadership well recognizes the importance of maintaining a healthy tech base. I think it is almost fair to say that the tech base will be the last to go if we get down to our last dollar.

Senator GLENN. I would hope that is 2 percent per year plus inflation, at least.

Mr. CONVER. That is 2 percent real growth across the FYDP, sir.

Senator GLENN. Okay. I think it is probably more than that.

Chairman NUNN. Senator Glenn, excuse me.

I am going to have to depart. I have to go to the floor to make a presentation on the pending debate at the request of Senator Byrd. But I wanted, again, to thank each one of the nominees for their willingness to serve.

We have looked over your papers and your responses very carefully. We know your background, and I don't anticipate any problems. We are going to try to expedite these nominations if we possibly can this week or early next week.

With that, Senator Glenn, thank you for yielding to me. I am going to turn this over to Senator Exon.

Senator GLENN. I was finished, Mr. Chairman. Thank you.

Senator EXON (presiding). Did you say you had more or were finished, Senator Glenn? Go ahead.

Senator GLENN. No, I am finished.

Thank you, Jim.

Senator EXON. Thank you very much, Senator Glenn.

I have just a couple of questions that I would like to ask the two of you.

Mr. Conver, we will start with you.

Do you believe that there is too much concurrence in Army operation of test programs and limited equipment production buys? In other words, do we have a tendency to buy weapon systems prior to them passing contractual and operational testing requirements?

This is something that bubbles up all the time. I am just wondering what your thoughts are in that area.

Mr. CONVER. Sir, I think I can probably speak more generally to the Department of Defense as a whole, as opposed to the Army specifically.

I think concurrence is a very difficult issue for the Army or the Department to deal with. It involves the trade-off of some very important but conflicting demands.

On the one hand, the Department is very anxious to get the equipment into the field as soon as possible, get through the development cycle and get things to the troops in the field as quickly as possible to maintain our technological edge in battle.

On the other hand, there is concern that sometimes we rush too much and that we end up producing things before the development is complete.

It strikes me that the Department's record in this regard is mixed. I can personally think of a number of programs in which concurrence was the main problem in the execution. However, I can think of others where we seem to have "lollygagged" too much and we have not gotten things in the field quickly enough.

I think the new threat situation that we are looking at, with the Soviet Union and the Pact countries, is going to diminish the concurrence problem quite a bit, because now I think the commanders in the field are going to be less able to argue that they need a particular piece of equipment now or in 1 or 2 years. I think the reduced threat might help us in the acquisition business make some inroads on this concurrence problem.

I think many Members, at least on the House side, are of the opinion that we shouldn't even start production until the operational test of a system is complete. I think that is a totally unrealistic viewpoint. I believe we need to start some limited and low-rate production as soon as we complete the development, concurrent with OT&E. But we certainly should not, under any circumstance, start full-scale production until we have all the bugs ironed out of the system.

So, as the Army Acquisition Executive, pending a favorable action on my nomination, I will be very attentive to this issue. I will insist that the operational needs are not depicted as being so pressing that we rush into concurrence type problems.

I think it is an excellent question, sir, and one that is going to merit a lot of attention.

Senator EXON. Thank you, Mr. Conver. You come at this exactly like I think it should be approached.

I guess there are some times that you probably know about, at least some times that I think we have gotten the cart too far out in front of the horse on some of these things.

Mr. CONVER. Yes, sir.

Senator EXON. Sometimes that can get awfully expensive.

Mr. CONVER. Yes.

Senator EXON. On the other hand, as you pointed out, sometimes some early work in some of these things can send a signal whether we should or should not go ahead. So it can have some cost savings and expedite the programs either way, depending on the circumstances.

Thank you. I have one more question of this panel.

Mr. Haynes, let me ask you how your office works with independent investigating bodies, such as the Defense Contractor Audit Agency, the FBI, the Justice Department, and the Defense Investigative Services to insure effective and coordinated investigations of waste, fraud, and abuse within and outside the Department of the Army?

Mr. HAYNES. I cannot speak to that with great specificity because I have not gotten into that area in terms of briefings.

I do know from some experience that the office has been very helpful to the process in terms of being a focal point and providing as much assistance as requested, and, in fact, as needed, I believe, to each of those investigating agencies.

Senator EXON. Thank you very much.

Are there any further questions of this panel by other members of the committee? [No response.]

If not, I believe the Chairman has summed up his feelings, which are shared by this member of the committee.

We appreciate very much you three excellent individuals taking on these assignments, and I think we can assure you that we will move you through on a very rapid basis.

Thank you very much. You are excused.

Mr. CONVER. Thank you.

Mr. HAYNES. Thank you, Mr. Chairman.

Mr. BROOK. Thank you, sir.

Senator EXON. We will now have the second panel which I understand has been previously introduced.

I would like to have Enrique Mendez and Colin McMillan take seats at the witness table at this time.

Dr. Mendez, we will begin with you and any opening statement that you have. Then we will go to Mr. McMillan, and then there undoubtedly will be some questions from the panel.

I am pleased to recognize you at this time, Doctor.

STATEMENT OF ENRIQUE MENDEZ, JR., M.D., OF PUERTO RICO, TO BE AN ASSISTANT SECRETARY OF DEFENSE, VICE WILLIAM E. MAYER, RESIGNED.

Dr. MENDEZ. Thank you, Mr. Chairman and members of the committee. It is truly a privilege for me to appear before you as the President's nominee for Assistant Secretary of Defense for Health Affairs.

I am grateful to you for that opportunity, sir.

My nomination as Assistant Secretary of Defense for Health Affairs honors me. As a physician who has spent the majority of his professional life as a medical officer in the United States Army, I consider it the culmination of my career.

As an Hispanic, and therefore a member of a significant minority group in the country, I am proud that through me, this nomination recognizes in a tangible way the contributions of that group. As a Puerto Rican, who has been a career soldier, I am proud that the many Puerto Rican men and women who have served and continue to serve with distinction in the Armed Forces will feel that their efforts and sacrifices have been recognized through one of their own.

As a nominee, sir, I fully recognize my responsibilities in guiding the policies, systems, standards, and programs in health affairs for the Department of Defense and my role as staff assistant and advisor to the Secretary of Defense.

I recognize that the evaluation of requirements and the need for excellence of performance of military medicine apply both to the peacetime and the wartime missions. I am also very cognizant of my responsibilities in stewardship of the taxpayers' dollars.

If confirmed, I will accept these responsibilities with seriousness, with respect for their scope, and will approach them with the dedication of a hard-working man and the motivation of a person who believes in what he is doing and what the members of the Armed Forces are doing in support of the nation.

As a former medical school dean, I am most pleased to continue my association with the Uniformed Services University of the Health Sciences and to help guide the programs of graduate medical education of the military services that have been so important in the retention of military physicians.

As a citizen, I am delighted at being given the opportunity, once again, to serve; and, in this position, to serve a segment of American society that I consider particularly important and with which I identify fully.

I am keenly aware of how important the health services offered the men and women of the military services and their families are to all Americans, particularly to those whose sons and daughters are serving. I feel that quite personally myself as, at this very moment, three of my four children and four of my five grandchildren receive their health care from the Military Health Services System.

As a retired military officer, I am continuously mindful of the health care needs of the retired members and their dependents.

The assurance of the quality of health services for all entitled to them, the evaluation of the resources utilized for their delivery and the appropriateness of their application will be of the utmost concern to me if I am confirmed by this committee.

Mr. Chairman, I am proud of my nomination to this position and I certainly thank you and this committee for your willingness to consider me.

[The prepared statement of Dr. Mendez follows:

PREPARED STATEMENT OF DR. ENRIQUE MENDEZ, JR.

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Mr. Chairman, I am proud of my nomination to this position and thank this committee for its willingness to consider me.

Senator EXON. Dr. Mendez, thank you for your very moving statement. I want to take this opportunity to thank you, as an American, for the service that you have given this country previously. We are looking forward to working with you in your new position that I am sure you will receive.

There is only one quarrel I had with your presentation. That was the fact that you said you had five grandchildren. I want you to know that I have eight. I am ahead of you only in that area. [Laughter.]

Dr. MENDEZ. Right, sir. Perhaps I can catch up as time goes on. But I'll leave it up to my children to do that for me. [Laughter.]

Senator EXON. There are some things that grandfathers don't have control over.

Dr. MENDEZ. That's right. [Laughter.]

Senator GLENN. Mr. Chairman, since Strom Thurmond is a member of this committee, I can only say don't count Dr. Mendez out yet. [Laughter.]

Senator EXON. Senator Thurmond is not here to defend himself.

Mr. McMillan, we would welcome your remarks at this time.

STATEMENT OF COLIN RILEY McMILLAN, OF NEW MEXICO, TO BE AN ASSISTANT SECRETARY OF DEFENSE, VICE JACK KATZEN, RESIGNED.

Mr. McMILLAN. Mr. Chairman and members of the committee, I am pleased to be here today as President Bush's nominee for Assistant Secretary of Defense for Production and Logistics.

I am particularly humbled by the introduction that I received from Senators Bingaman and Domenici, and Congressmen Richardson and Skeen. I only hope that I can live up to their expectations. I can assure you that I am going to try to do the sort of job that is needed at this time in this post.

I think this job is going to be a particularly interesting experience for me. My background as a Marine officer, a Marine Reserve officer, a businessman and a State legislator will all be important as I work on this job.

I certainly plan to do my part in implementing the Packard Commission recommendations, the Goldwater-Nichols Act and the Defense Management Review. I think all of those studies and laws are timely and this is the time for implementation of them. I am delighted that I am going to be a part of it.

Once again, Mr. Chairman, I am pleased to be here and will answer any questions.

Senator EXON. Thank you, Mr. McMillan. We appreciate your statement very much.

We will follow the early bird rule and I will hold my questions until later.

I am pleased to recognize you, Senator Bingaman.

Senator BINGAMAN. Thank you very much, Mr. Chairman.

Let me welcome both witnesses. Dr. Mendez, I had the occasion to visit with you in my office. I appreciate your courtesy in coming by to brief me on your background.

Colin, I am very pleased that you are here before us today. I am glad we are finally acting on this nomination. I know you are anxious to get to work.

Let me ask about one area of concern that will be under your jurisdiction, about an issue that you will have some responsibility for, Colin. It deals with memoranda of understanding that we have with our allies on reciprocal defense procurement, where we enter into agreements permitting them essentially to sell their defense weaponry to us and we sell ours to them and try to maintain some kind of reciprocity in that.

That is an issue on which I am not going to ask you for any definitive response this afternoon. But I think it is an issue that you need to be aware of. Many in the Congress are looking at that area as an opportunity to try to get more reciprocity in our trade relations with our allies, recognizing that the U.S. has traditionally had a surplus in trade relations with our allies in defense-related items, trying to insure that, at least in that area, we can maintain that surplus because we don't seem to have it anywhere else.

So it is an area that might not come readily to mind when you start going through your job description, but it is one that is of a great deal of interest here in the Congress and one that we will be asking you about.

If you have any comments or anything to say on it now, feel free to do so. But I really just wanted to alert you to it.

Mr. MCMILLAN. Thank you, sir.

I am not particularly familiar with the subject, but I will make it my business to do that.

Senator BINGAMAN. Okay.

You referred to the Packard Commission's recommendations. Another area that Senator Levin has worked hard on and quite a few of us have taken quite an interest in is the issue of commercial products and how we can implement a greater utilization of commercial products by the Department of Defense.

Again, I am not asking you at this early stage for a detailed plan of action on that. But I am just alerting you that that is another area where the Congress has legislated just this last year and is trying to provide all of the tools that we can to yourself and the Department of Defense to encourage cost savings through more utilization of commercial products.

Again, I would just call that to your attention. I don't know if that is something you have had a chance to get briefed on or not.

Mr. **McMillan**. Senator, I have.

It is my understanding that Production and Logistics is working right now on that subject. I understand that they have made progress in the last several years. From my perspective, I certainly would like to see more of that utilization. It is going to be a money saver and it is something that is fairly easy to understand from the buyer's point of view. I will push for it.

Senator **Bingaman**. Thank you very much.

Dr. Mendez, could I just ask you this question. It really is more of a comment than it is a question, I guess. When we visited in my office, I made the point that over the period of several years here I have tried to push people in the new position that you are taking to give more emphasis and take more responsibility for the health promotion and disease prevention side of that job, instead of looking at it strictly as a medical care issue.

I think the title of your new position, Assistant Secretary for Health, is the right title. I would, again, urge that in your decision as to what your priorities are going to be and how you are going to define your job, that you would not define it too narrowly.

I think you have a real opportunity in that key position to do some things and to encourage some policies that could have a very beneficial effect on the health of people in the services and their dependents, which might not be technically classified as medical care because it wouldn't be medical care as such. But it would certainly be something that a person in your position could promote.

I would call that to your attention. If you want to make a comment, I am glad to hear your comment.

Dr. **Mendez**. Thank you very much, Senator Bingaman.

The only comment really is that I concur with what you are saying, particularly in two aspects: both the aspect of classical preventive medicine as well as the aspect of health maintenance, which sounds like the one that you are most preoccupied about.

This is particularly so in a segment of the population that we deal with in the military area which is relatively young and those diseases or those conditions that go along with lifestyle ills. It is a preoccupation of mine also, sir.

Thank you.

Senator **Bingaman**. That is all I have, Mr. Chairman. Thank you very much.

Senator **Exon**. Thank you, Senator Bingaman. Senator Glenn.

Senator **Glenn**. Thank you, Mr. Chairman.

I want to welcome both witnesses here today. I had the chance to discuss some of our mutual medical concerns with Dr. Mendez at considerable length in my office the other day. I think it is good to note that if confirmed, when confirmed, he will be stepping into one of the most important jobs in the Department of Defense, involving 9.2 million beneficiaries worldwide and an annual budget of $13 billion.

Health care, whether it is for combat or peacetime, is something that our people deserve the very best of certainly. He will be directing 800 medical and dental facilities, 170 hospitals worldwide, 170,000 physicians, nurses, dentists and support personnel, supervising the CHAMPUS program.

Rather than go on, I would ask that the rest of my statement be included in the record.

[The prepared statement of Senator Glenn follows:]

Prepared Statement of Senator John Glenn

I want to join the Chairman in welcoming Dr. Mendez and members of his family who are in the audience.

If confirmed, Dr. Mendez will be stepping into one of the most important jobs in the Department of Defense, involving the oversight of health care for 9.2 million beneficiaries worldwide and an annual budget of $13 billion dollars.

Health care for our military personnel in peace and war is essential to the combat readiness of our forces. At the same time, military personnel view health care for military dependents and retirees as one of the most important benefits for serving in the military. So how well this care is delivered affects the morale and quality of life of our military personnel and their families, and ultimately the capability of the military services to sustain a volunteer force.

To do this important job, the Department of Defense operates about 800 medical and dental facilities, and about 170 hospitals worldwide, and employs more than 170,000 physicians, nurses, dentists, and support personnel. In addition, the Department of Defense manages the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), a program for the delivery of private sector health care to non-active duty beneficiaries.

I think it is fair to say that the Congress has been very supportive of the health care programs in the Department of Defense. Over the last 3 years, the Congress has authorized substantial increases in targeted compensation to help the military services recruit and retain medical personnel in both the Active and Reserve components. The Congress has also authorized funding for new facilities and renovations, and provided the necessary funds to cover the growing costs of the CHAMPUS program.

Despite this support, there remain areas that require improvement. I think the military health care benefit needs to be carefully examined because it is not very clearly understood. There does not appear to be a consistent strategy for health care delivery to non-active duty beneficiaries. Questions such as how much of this care should be provided on a cost-free basis under the direct care system, and what kind of system is needed to efficiently coordinate military and civilian health delivery to beneficiaries within a catchment area remain to be definitively answered.

At the same time, the cost of medical care being delivered through the CHAMPUS program is growing. In fiscal year 1982, the CHAMPUS program cost $1 billion. In fiscal year 1989, the program cost $2.7 billion, nearly triple the cost 7 years earlier. While I know that there have been CHAMPUS cost containment initiatives, and I applaud these initiatives, I believe it will be difficult to get a handle on CHAMPUS cost containment until we have definitive answers to the earlier questions I posed.

That is a very brief summary of my concerns about a very large and complex system.

Dr. Mendez, as I see it, you have your work cut out for you if you are confirmed, and I have every expectation that you will be.

I have a number of questions for you.

Senator Glenn. There are a couple of areas that we discussed in my office but which I would like to just mention again today, Dr. Mendez.

The health care benefit package is a very important element of the compensation of our military personnel. There are two parts to it. The first part entitles our military personnel to cost-free medical care in military treatment facilities. The second part deals with dependents and entitles dependents to private sector health care on a cost-sharing basis with the CHAMPUS program, the Civilian

Health and Medical Program of the Uniformed Services, and to cost-free care in military treatment facilities if space is available.

I would like your views on this. How well do you think it is understood? Is it your general sense that most beneficiaries expect health care to be delivered to dependents and retirees cost-free? How do you expect to handle that area?

We receive more complaints—and I am chairman of the Manpower Subcommittee that deals with this—we receive more complaints about the health care than about anything else in the military.

I would like your views on it. We have discussed this privately, but I think it would be good to have it for the record.

Dr. **Mendez**. All right, sir.

I believe that it is the expectation of individuals who have come into active duty, who then eventually go into retired roles, that indeed health care was to be provided. I believe that it is understood intellectually that that health care within the medical treatment facility is a function of its availability. But, nevertheless, at the time that the individual comes on active duty, I believe it is somewhat of a misunderstanding of most people that health care will be provided while a member is on active duty and, if he were to retire that it will continue to be provided. I fully realize that those beneficiaries that are close to a medical treatment facility are able to obtain care, if available; but that there is both a co-payment and a deductible for those who utilize CHAMPUS.

Is the totality of the system fully understood by every one of its beneficiaries? In my judgment, Senator Glenn, it is not fully understood. The people feel the system is not totally responsive at times. It has parameters to it that are perhaps difficult to both evaluate and understand. Therefore, some of our people will indeed complain about it and will indeed complain particularly about how to be able to get a response from the CHAMPUS system when they have specific questions that pertain to their care.

Senator **Glenn**. In another area, Doctor, we are now in a review, that we have asked the Pentagon to perform, of the total force policy. The total force policy has been in effect since 1973. It defines the roles and missions of the regular military establishment, the Reserves, the National Guard, and so on and who does what in the event of war.

We have broken these down in the past and they are taking a new look at them now. I think it is one of the most important studies we have asked the Defense Department to do in a long time.

In the past, we have assigned about 80 percent of the wartime medical mission to the Reserves. That is when they will be needed most, of course.

But the problem is there are severe shortages in these areas and have been for years. Every year the Pentagon tells us that yes, we are coming up with a new policy, a new program; and every year we don't get it.

Then, 3 years ago, we asked for a study of the situation. Well, it was a lousy study, to be quite honest about it, and it really did not do the job.

Just to put some figures on this 80 percent of the wartime medical that's assigned to Reserves, right now, according to DOD figures, we are short about 7,000 physicians in DOD. That's 71 percent of that 80 percent that is assigned to the Reserves that we're short. We're 31,000 nurses short. That's 66 percent of the nurses that would be required for combat medical.

I know you are aware of these shortages and I would just bring them to your attention so that they are part of our record here. I know we look forward to working with you on this so that we can correct these problems.

I hope as this total force policy study comes out this year, and you undoubtedly are going to be a key part of the team putting that total force policy review together this year, that we can address some of these things and either reassign these missions or do something about bringing them up to snuff.

We are not in good shape in those areas.

I would welcome any comment you might have.

Dr. MENDEZ. Yes, sir. I understand your comment. Certainly these issues concern me also in terms of the very significant readiness missions that the Office of the Assistant Secretary of Defense for Health Affairs has.

I look forward, if confirmed, to indeed being a full player in the total force policy group in the Department of Defense. I believe that the total force policy study, sir, is a good vehicle to be able to evaluate just those issues that you want evaluated in conjunction with the piece that speaks to medical readiness. I look forward, indeed, to participating in that and also to being able to participate with you and with this Committee in relevant terms about the matter of medical readiness in the Department.

Senator GLENN. Thank you very much.

Mr. McMillan, I would only comment. I don't have any real questions for you.

You are also in an area that is going to be a difficult one to manage—Production and Logistics. At a time when we are beginning to scale down over the next few years, undoubtedly, this is going to be a very tough area to deal with.

You have a very interesting background and biography here. I can assure you that some of us here do not hold it against you that you were in the Marine Corps at one time. [Laughter.]

Mr. McMILLAN. Thank you.

Senator EXON. I will reserve the right to object. [Laughter.]

Senator GLENN. I knew he would get that in. [Laughter.]

Senator EXON. Have you finished, Senator Glenn?

Senator GLENN. Yes, thank you.

Senator EXON. Thank you, Senator Glenn. Senator Levin.

Senator LEVIN. Thank you, Mr. Chairman.

Let me add my welcome to both our nominees today.

First, Doctor, let me ask you a question about the organ transplant program, which I know you are familiar with because of your background.

In 1987, the Department released its Directive on Organ and Tissue Donation. This was something that I had been very actively involved in and urged the Department to do, and I worked very closely with the Department in that directive.

Do you have an opinion as to whether that program is working well?

Dr. **Mendez**. I believe that the program is working, partially, Senator Levin, the portion of it that I have looked at. I believe at the present time what is needed are local or area types of relationships in terms of organ availability and organ transplant within that reporting structure. These are present in some places, but are not present in others. I will indeed concern myself, together with the three services, with making sure that that progresses the way I believe you wish it to progress.

Senator **Levin**. After you have a chance, when you are confirmed, would you get back to us with a report on how that program is working?

Dr. **Mendez**. Yes, sir. I will be happy to do that, Senator.

Senator **Levin**. It is a very important program. It is a life saving program. I would appreciate your personal attention to that matter.

Dr. **Mendez**. Yes, sir. Thank you.

[The information follows:]

The Military Departments have been requested to conduct a survey of all medical treatment facilities to determine the current status of organ donor agreements and to provide a plan of action to complete implementation of the Department's directive on organ and tissue donation. I expect to be able to provide a full report within 6 months. In the interim, I want to assure you that the program will be implemented fully and that it has my personal support.

Senator **Levin**. One aspect of it that I wish you would look at is who has the opportunity to be the beneficiary of those organs and tissues. We give current members of the military I believe that opportunity and their families.

One question which has been raised is whether or not veterans then should have the next preference.

Would you take a look at that issue also?

Dr. **Mendez**. All right, sir.

Senator **Levin**. Mr. McMillan, I just want to join Senator Bingaman in alerting you to the commercial products or off-the-shelf question.

That is something that many of us in Congress have spent a lot of time on and that the Departments have spent a lot of time on. But, frankly, we have not made a lot of progress on it. There is just a great inertia here. There is a lot of paperwork that has to be cut.

I have seen literally reams of paper placing requirements which are completely useless on companies that want to sell to the Defense Department. I have seen hundreds of requirements for information, for cost and pricing data, which are irrelevant and useless. The trouble is, it is a deterrent. People are not willing to deal with the Department. Our dollars are going to have to go further. We need competition more than ever. We need commercial products more than ever, instead of designing things from scratch.

I am afraid you not only are going to have to have a good instinct and feel for it conceptually and theoretically, but a willingness to get right inside the nits and gnats of it if you are going to succeed. That is what it has taken for me and my office to literally go right inside of the issue and look at actual, specific regulations, requirements, and paperwork, and to ask the question: why that, why that, why that, over and over again. Then, when you are tired of doing that, you start all over.

At any rate, I am glad that you are at least aware of the initiatives that we have taken here in the Congress and which the Departments have done in varying ways, things to try to remedy the problem of excessive requirements and the non-use of commercial products where we should be using them.

So, good luck. I really hope you will hit your head against that wall early.

Mr. McMillan. Yes, sir.

I can assure you that that is one of the things that attracted me to the job, because I thought there could be some changes there.

I think we need to track not only the cheapest, but the best vendors to the Department of Defense. I think there are impediments. I have had some discussions in a general way, and in the event I am confirmed, I plan to get to work on that project.

Senator Levin. Best of luck to both of you.

Dr. Mendez. Thank you, sir.

Mr. McMillan. Thank you.

Senator Exon. Thank you, Senator Levin.

I have just a couple of questions that I would like to ask each of our witnesses.

But first, it has just been called to the Chairman's attention that the Surgeon General of the United States is here, Dr. Antonia Novello.

Dr. Novello, would you rise please, if you are still here.

Thank you for being here and we are sorry we did not recognize you earlier. You are a personal friend of Dr. Mendez, I believe. We are glad to have you here and we appreciate the excellent work that you do. We have heard some very good things about you. Thank you.

Let me start first with you, Mr. McMillan. I don't believe the secret information that Senator Glenn inadvertently brought out, that you were a member of the Marines, is necessarily going to disqualify you for this post. As an Army man, Senator Glenn and I carry this on between us back and forth all the time. So he said that for my benefit and not for yours. I want to make the record clear on that. [Laughter.]

Senator Exon. Let me start out by saying that I think what Chairman Nunn said about the three previous witnesses—and I think you can both tell from the questions that have been asked of you here today—is true here, too. We are not only proud but enthusiastic about these nominees, and we are going to expedite these. I believe that we can get these two nominations in with the other three, as Chairman Nunn indicated before he had to leave to go to the floor.

Let me begin with you, Mr. McMillan.

Given the present budget environment, which we are all in whether we want to be or not, and the need to reduce weapons program costs, do you believe the Congress should increase the use of multi-year procurement programs in order to help drive down the unit costs of some of our procurement?

Mr. McMillan. Well, sir, the Packard Commission has certainly recommended that. It makes some sense to me. Most private industry goes that way. I am not familiar in detail with the subject, but I certainly support the concept.

Senator **Exon**. That is something that I think we should get into a little bit more. It has been preached for a long, long time.

The problem that we have, though, both from the Department of Defense and from the actions of the Congress, both the authorizing and the appropriating committees, is that we are always tinkering and micromanaging these programs. One of the reasons I suggest some of these programs cost considerably more in the end than they were projected to cost at the start was because we are generally cutting down the total number of buys, which, of course, drives up the cost of each individual unit. But I think certainly the Government should attempt to do a better job than it has because there is no way we can expect much of our military-industrial complex to survive with the uncertainty that the process brings to the system.

This just does not happen that much in private industry and private business, from whence this Senator comes. Once a decision is made, then, unless there are some unforeseen circumstances, it is carried out pretty much along the lines of original intent.

And so, I do hope that you will work with us in the future on some of these matters. During these times of budget constraints and restraint, I imagine we are going to be cutting back on some of these programs if, for no other reasons, we just don't have the money to buy what we might like to buy even if we had all the money in the world.

But please continue to work with us on these things after your confirmation because I am sure that we want to be of help to you in every area that we can, because you are coming into a very, very important position, especially during these current budget times and budget difficulties.

So please keep in close contact with us.

Doctor, I have a question or two for you. Part of it was covered by the questions that were asked by Senator Glenn. I think we talked about that some when we had our visit.

You do see, then, a serious problem with regard to keeping the commitments that we have made to dependents of people in the service.

Do you have any ideas or concepts as to how, other than what you stated, we might help you to correct this problem?

Dr. **Mendez**. Yes, sir.

I believe that we must look at managed care in the totality of its possibility of application. The CHAMPUS Reform Initiative, for instance, that is ongoing now for the areas of California and Hawaii is an example of innovation. The management of resources at the catchment area level, by the medical treatment facilities—resources, not only those locally controlled by the medical treatment facility, but those extrinsic to the medical treatment facility—is another example of an innovative approach.

So, as time goes on, indeed these evaluations will proceed, and I think that this committee can be quite helpful in the evaluation of other possibilities and also in the resource base that may be necessary to be able to translate some of that progress to some of the MTFs. Indeed, the Congress has already recognized that in making moneys available this fiscal year to effect some hiring of support personnel in order to be able to retrieve into the medical treatment facilities some of the health care that is presently both needed and being provided elsewhere.

Senator EXON. We have an extremely serious situation, I believe, with regard to the professional manpower and womanpower today in our facilities—you know, doctors, nurses, pharmacists, the whole problem is up and down the line.

It is not unlike the situation that we faced in something that is not under your control, that is, the veterans' facilities in the United States today. They are under extreme pressure just to get the quality people that we need.

I am just wondering this. Has it ever worked, or has it ever been practiced where, for example, we have a military facility that has a staff that simply cannot provide medical services on a timely basis? Has there ever been a joint arrangement between a veterans' hospital facility, for example, in the same community? Have we ever worked back and forth on anything like that?

Dr. MENDEZ. Yes, sir.

Those joint arrangements have been of several types. One is where specialized care may be available in one place—either a VA or DOD facility—but not the other. Therefore, specialized care can be provided to one beneficiary group from a place where it would not usually be provided.

Another type of arrangement is one in which, for instance, no veterans' hospital facility exists, where the health care in general can be provided by the specific service that is running a hospital in that area, or vice versa. There is another opportunity that also exists, and that is within the physical facility of VA or DOD, there is one segment of it that can be devoted to a specific service needed by the other department, so that there is a supportive relationship from the parent hospital to the ward or the group of rooms and so on that we devoted to use by the other department.

So the answer is yes, sir. These sharing arrangements are already taking place, and we can, indeed, look to more of that type of relationship.

Senator EXON. How about the professional setup, with a doctor, for example, who works full-time in an on-base medical facility? Are they welcome to go and practice medicine in the veterans' facility in the same community?

Dr. MENDEZ. Normally, the staffs are different. There is a program called the Partnership Program, in which, indeed, civilian practitioners, through the CHAMPUS program, can actually come into a military hospital's physical structure to be able to continue a type of practice with a different funding source, which is CHAMPUS. This can indeed take place.

These types of cooperative, consultative arrangements can occur all the time within the Federal services, in which you will have a consultant in a particular specialty, as well as if I were to send a patient to a nonmilitary hospital to do a particular procedure, let us say in radiology. The utilization of the professional who reads those films and so on will be that of the hosting facility.

Senator EXON. Do you not see a problem—certainly we have the problem now, but isn't the problem likely to get more acute in the future with regard to the recruitment and the retention of professional staff for the facilities under your direction?

Dr. **Mendez**. We have had cognizance from the Congress, sir, as well as from the Department of Defense and the Services in terms of retention initiatives. I believe that that cognizance, for instance, has been quite pragmatic in terms of the increased salaries provided to health professionals. Certainly this is particularly so for difficult to obtain wartime skills, specifically surgical skills, in which differential payments have been agreed to.

This past year that was also recognized in nursing with accession bonuses that are to be paid to nursing individuals entering into the Department, as well as bonuses specifically for nurse-anesthesia.

It is necessary, in my judgment, not only to be able to have these payments for the retention of these health professionals, but also to maintain a very significant base of continuing education for these people.

First of all, graduate medical education and, continuing medical education, will increase, I believe, just the professional aura of military medical service which would actually lend itself to retention because of a particularly vibrant and positive professional environment within the Services' medical treatment facilities. I believe that that is very important, as well as the matter of payment.

Senator **Exon**. What percentage would you estimate that the present health care delivery professionals who work in our on-base hospital facilities are people who have gone to school, medical school, nursing school, other professional schools, and then come into the service as a part of their agreement? What percentage of the health care professionals are ones that we go outside and hire to come in and join one of the on-base associations?

Dr. **Mendez**. I don't have those percentages off the top of my head, Senator Exon. But I will be happy to garner them for you and to just give them to you.

Senator **Exon**. Well, do you have any estimates that we could have?

Dr. **Mendez**. I really don't have the figure. I would presume that they would be significantly different in nursing than they would be in medicine. The HPSP program has been present for medical students for some time. While nursing students have not been approved for program participation in 1989, I would be happy to provide those tapes.

[The information follows:]

[In the current force, 58 percent of the physicians come from the Health Professions Scholarship Program (HPSP), 8 percent from the Uniformed Services University of the Health Sciences (USUHS), 24 percent from volunteers, and the remainder from miscellaneous sources. Nurses do not have a program comparable to USUHS and were not approved for program participation in the HPSP until this past fiscal year (fiscal year 1989) when recipients were limited to masters in nurse anesthesia, so no comparable percentages exists for nurses

Senator **Exon**. Now refresh my memory. For the young people today, who we train for positions, for example, what commitment do they have after they graduate from medical school to provide their God-given talents to the military?

How long do they have to stay?

Dr. **Mendez**. All right, sir.

For individuals who are on the Health Professional Scholarship Program, which is the program that the Services sponsored, where an individual is paid, you know, his tuition and fees while he is at medical school, he has a responsibility to serve 1 year per each year where he has been sponsored.

Senator **Exon**. For how many years?

Dr. **Mendez**. It's one year per one year.

So if he is sponsored for the totality of four years in medical school, in a civilian medical school, then he serves for that length of the time.

In the Uniformed Services University of the Health Sciences, the initial proviso for service subsequent to termination was seven years. It is my understanding that——

Senator **Exon**. How many years was that?

Dr. **Mendez**. It's 7 years, after 4 years of medical school. These people are already commissioned in the time that they are in school. It is my understanding that that obligation has increased from 7 years to 10 years recently.

Senator **Exon**. My last question has to do with drugs, a question which I am sure has come up in your professional career.

The personnel chiefs of all the branches of the service last year had a hearing, and it was remarkable for what they said. They had no way to know for sure. But they estimated that three or four years ago, we had maybe as high as 20 percent to 22 percent of people in the military using some kind of drugs. I don't know whether that was use on a regular basis.

They said that the deterrent effect of the institution of the drug testing program, they felt, had driven that down to where no more than 2 percent to 3 percent of our people today are using illegal drugs.

To me, that was a dramatic reduction. I am just wondering if you agree with their theory, or is it not quite that good?

Dr. **Mendez**. I believe that there has been significant advancement in terms of decreasing the utilizing of illegal drugs. I believe that the program of drug testing is a positive program. I do subscribe to it. I believe it is a positive program. I believe that testing, coupled with education, further coupled with treatment programs, both the residential and nonresidential types of treatment are an effective package in terms of our curtailing drug abuse. This is quite possible, Senator.

Senator **Exon**. My last question then would be this. I am convinced that the deterrent effect of the drug testing program is the greatest thing we have going.

If somebody is using drugs and if they know that tomorrow, or a year from today, they may come up on a random drug testing program, I think that has a dramatic effect, probably more than anything else, in the reduction of the numbers of the users.

That gets back, though, over into another area.

In the Commerce Committee, I am chairman of the Surface Transportation Subcommittee, and we have instituted drug tests for engineers and railroads, for a policy course, and also enough for truck drivers.

We get into all kinds of problems, taking away civil rights and all these kinds of things.

It seems to me that certain people have to give up some of their constitutional rights if they have them. If they are in a particularly hazardous position where they are operating regularly, such as hauling people from Point A to Point B, or traveling up and down the road where someone driving a very heavy truck is certainly much more of a menace by using illegal drugs than just somebody in an automobile.

One of the problems that we have always had in this whole area, and the arguments always break out, is, look, I don't mind taking a drug test, if that's what people say. I don't mind taking a drug test. I am very much worried, though, that these drug tests are not accurate. That I could be clean as the driven snow on drugs; but, lo and behold, I show up as positive for a drug test.

What has been your experience in this area? Is there a serious problem that we should take into consideration in this area? There are always going to be mistakes, I recognize.

I have always suggested that the way to correct a mistake is if I test positive, then I should have a right to have another check made by a different laboratory.

But, overall what has been your experience, if you've had such experience? How much dependability we can put on drug testing?

I must tell you that the four personnel chiefs of the services came before us and said they are 100 percent confident that the drug testing program is as foolproof as we could make it. They indicated that their records would clearly indicate that in 99 or 99 44/100th percent of the cases there just was not any error. If you were clean, the tests showed that; if you were not, the tests showed otherwise.

What has been your experience and how much confidence do you think we can place in this?

Dr. MENDEZ. My impression of it is basically that it is indeed a dependable type of test. As the years have gone by, you know, all of the analytical testing that goes on has improved and, indeed, I understand that the testing is dependable. I have not personally conducted any of the testing. But, indeed, this is my understanding of the drug testing.

Senator EXON. Dr. Mendez, Mr. McMillan, thank you very much for being here. We will move this along.

Senator Dixon has a prepared statement that he wishes to have included in the record.

[The prepared statement of Senator Dixon follows:]

PREPARED STATEMENT BY SENATOR ALAN J. DIXON

Mr. Chairman, this afternoon the committee meets to consider a number of Defense Department and military service nominations. I would like to take this opportunity to commend the committee staff for carefully reviewing these nominations prior to today's hearing.

All of our nominees are highly qualified for their positions, exemplifying a factor which is becoming increasingly important as the international situation continues to change dramatically.

I am also glad that this administration is finally getting a defense team in place so that critical defense issues can be addressed and solved expeditiously. I thank our witnesses for being here today and I look forward to their testimony.

Thank you, Mr. Chairman.

Senator EXON. We appreciate your responses to our questions, and we are adjourned.

[Whereupon, at 3:48 p.m., the committee adjourned, to reconvene upon the call of the Chair.]

[Prepared questions submitted to Douglas A. Brook by Senator Nunn prior to the hearing with answers supplied follow:]

January 31, 1990.

Hon. SAM NUNN,
Chairman, Committee on Armed Services,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: This is in response to your letter of January 16, 1990 forwarding questions in connection with the President's nomination of me for the position of Assistant Secretary of the Army for Financial Management. Your questions and my responses are attached.

I look forward to appearing before your committee, and I appreciate your timely consideration of the nomination.

Respectfully,

DOUGLAS A. BROOK.

Attachments.

FUNCTIONS OF ASSISTANT SECRETARY FOR FINANCIAL MANAGEMENT

Question (1). Should you be confirmed as the Assistant Secretary of the Army for Financial Management, what will be your principal responsibilities to the Secretary of the Army?

Answer. The statutory responsibilities of the Assistant Secretary of the Army (Financial Management) are set forth in Section 3022 of Title 10 of the United States Code.

I would be responsible to the Secretary of the Amy for the direction and management of such financial management activities and operations of the Department of the Army as:

— The Amy Planning, Programming, Budgeting and Execution System.
— Cost and economic analysis.
— Management evaluation.
— Finance and accounting.
— Financial management systems.

I view my overall role as assisting the Secretary of the Army to meet his responsibilities to successfully execute the Army mission.

IMPLEMENTATION OF GOLDWATER-NICHOLS REFORMS

Question (2). The Senate Armed Services Committee has a deep and continuing interest in the complete and effective implementation of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 and the Packard Commission recommendations.

a. Are you fully committed to the complete and effective implementation of the Act, as amended, and the recommendations of the Packard Commission?

b. From the financial manager's perspective, what are the central issues in implementation of the Goldwater-Nichols Department of Defense Reorganization Act and the Packard Commission recommendations?

Answer 2a. Following the Secretary of the Army's leadership, I am fully committed to the complete and effective implementation of the Goldwater-Nichols Department of Defense Reorganization Act and the Packard Commission recommendations. I assure you that I shall maintain an objective perspective on these issues and shall remain sensitive to these requirements in the financial management area.

2b. I am not yet fully aware in detail of all of the applications or initiatives that have been implemented by the Army, but I recognize that I will be responsible to ensure that:

— All facets of comptrollership (to include financial management) are centralized in my office with no duplicatory functions on the Army Staff.

— The Army Planning, Programming, Budgeting and Execution System is orchestrated to require the active involvement of all Assistant Secretaries of the Army and Army Staff Principals in the process, thereby ensuring that all Army requirements are properly considered and prioritized to meet the goals and objectives established by the Secretary of the Army.

— A financial management system is in place to effectively and efficiently support the Army Acquisition Executive/Program Executive Officer structure.

— Effective guidance, policies, procedures, and processes, are in place to provide the capability for effective and efficient financial management at the departmental, major command and operating levels.

MANAGEMENT PRIORITIES

Question (3). If you are confirmed, what will be your top priorities as the Assistant Secretary of the Army for Financial Management in terms of substantive problems facing the Department of the Army in the areas for which you are responsible?

Answer. One of the most important problems facing the Amy, and the Defense establishment in general, is the effective management of our responses to two key challenges:

(1) rapid political transformation in Eastern Europe and
(2) the influx of illegal drugs into the United States.

These challenges will be a special concern of the Assistant Secretary of the Army for Financial Management as they affect resource allocation.

If confirmed as Assistant Secretary of the Army (Financial Management) my top priorities would be to:

(1) Ensure active cooperation with Army operational managers so that the resource planning, programming, budgeting, and execution system fully supports the effective resourcing of a well-trained, well-equipped, highly mobile Army.

(2) Participate with the Army acquisition community in obtaining required weapons systems of the highest quality at "optimum" cost within available dollars.

(3) Meet the operational goals mandated by our implementation of the Packard Commission recommendations as embodied in the Defense Management Report.

(4) Reemphasize Army management evaluation efforts—audit and economic analysis—to ensure that the Army is executing the approved programs effectively and efficiently.

(5) Ensure that we have financial accounting and management systems that achieve the Army's fiscal and fiduciary responsibilities to the American public and its informational responsibilities to Army decision-makers.

DEFENSE MANAGEMENT REPORT

Question (4). What do you believe the impact of the Defense Management Report will be on your responsibilities?

Answer. I do not believe I can yet totally evaluate the overall impact of the Defense Management Report on Army financial management. There will certainly be consolidations, curtailments, realignments and eliminations. Each will have an impact of some kind on financial management systems, policies and processes. Each will have to be addressed as to its impact, both direct and indirect. Effective implementation of the Defense Management Report is, and will continue to be, a significant challenge to all Army managers. I anticipate that I will need to be an active participant in determining the organizational and structural realignments necessary to permit the Army to achieve the revised posture which will be required. I will no doubt then be required to take a lead position in determining the revised funding streams necessary to support the reconfigurations. The Secretary of the Army, and the rest of the Army leadership, are taking these initiatives very seriously. I can assure you that I shall follow the Secretary's lead as I approach the initiatives in the financial management area.

ROLE IN DEFENSE DEPARTMENT BUDGET PROCESS

Question (5). What will the role of the Assistant Secretary of the Army for Financial Management be in the preparation of the Army Program Objective Memorandum, budget submission and Five Year Defense Program?

How would you assess the current capability of the Army to make rational and strategically sound adjustments to its Five Year Defense Program in response to changes in the Defense Guidance or to congressional adjustments to the President's defense request?

Answer. I see the Assistant Secretary of the Army (Financial Management) as a principal player on the Army leadership team that together produces a program from which a budget is formulated, resourced, and executed.

One of the areas that I would continue to emphasize, if confirmed, would be the feedback responsibility of financial management. I would continue the push for proactive and continuous analysis of where the Army stands in relation to executing its budget and accomplishing its program so that realistic and "resource-smart" adjustments to both the program and budget would be considered.

RELATIONSHIP WITH OTHER BUDGET OFFICIALS

Question (6). Please describe your understanding of both the formal and informal relationships between the Assistant Secretary of the Army for Financial Management and each of the following:

a. The comptroller of the Department of Defense.

b. The comptroller of the Army.

Answer. 6a. I understand the formal relationship with the Comptroller of the Department of Defense as one in which he is the source of financial management policy and direction as regards Department of Defense-wide initiatives, applications, funding guidance and direction for Army operations and activities. In return, my formal responsibility would be to provide program and budgetary projections and execution data, as well as meeting other comptroller/financial management reporting requirements. The informal relationship will be, I would hope, one of financial management partners in an atmosphere and environment of cooperative action in the best interest of the Nation, the Department of the Army and the Department of Defense.

6b. Formally, the Comptroller of the Army is organizationally and functionally established as the military deputy to the Assistant Secretary of the Army (Financial Management). The Assistant Secretary of the Army (Financial Management) functions as the individual who is responsible to the Secretary of the Army, and is the senior decision-maker, on Army financial management matters. As to an informal relationship, I would strive to establish a congenial partnership and close working relationship. I think it is important to the Secretary of the Army's best interests for the Assistant Secretary of the Army (Financial Management) to clearly understand and closely evaluate the Army's needs as seen by the military leadership, within the perspective of administration policy and the views of the Congress. The Comptroller of the Army can provide considerable assistance in such a task.

Question (7). Are any changes needed in the relationships described in your response to the previous question?

Answer. I believe at this point that the presently established relationships are in line with the Goldwater-Nichols Department of Defense Reorganization Act and other pertinent public laws. I shall, however, remain alert to both organizational and operational relationships and will be prepared to advise the Secretary of the Army of any changes which I believe would either increase efficiency and effectiveness or correct a statutory breach.

MANAGEMENT OF AUTOMATION DATA PROCESSING PROGRAM

Question (8). The General Accounting Office has issued a number of reports recently citing delays and cost overruns in automatic data processing programs throughout the Department of Defense. As Assistant Secretary for Financial Management, will you be responsible for the oversight of these programs written by the Army? What improvements in the management of these programs do you believe are necessary?

Answer. The Director of Information Systems for Command, Control, Communications and Computers is responsible for management oversight of automation systems within the Army. However, the Assistant Secretary of the Army (Financial Management) is responsible for financial management systems. I have been advised that the former Assistant Secretary created a new Deputy for Financial Management Systems Integration to provide oversight of Army automated finance systems and to develop an architecture and plan for integrating these systems. Also a high level information systems review process has been established. In addition, I understand that the financial management community is actively participating in the Office of the Secretary of Defense initiated Corporate Information Management program whose goal is to improve the Department's management of its information management resources.

I can assure you that, if confirmed, I would work to improve our information management through better planning, oversight, policy and cross-service initiatives that share the costs and benefits.

EFFECTS ON PRODUCTION RATE STRETCHOUTS

Question (9). Does the Assistant Secretary or the Army for Financial Management have the capability to provide the Secretary of the Army with all the information necessary to make a comprehensive evaluation of the long term costs and benefits of stretching out the production rates or ongoing procurement programs?

Answer. I believe that the Assistant Secretary of the Army for Financial Management has the resources and the capabilities to provide the Secretary of the Army with estimated cost growth associated with program stretch outs for both current and planned systems.

Between the internal resources of the Assistant Secretary of the Army (Financial Management) and the resources and expertise of the Army Materiel Command and Program Executive Officers, I anticipate I will have the capability to provide the Secretary of the Army with all the information he needs to evaluate the long term costs and benefits of the production rates of ongoing procurement programs.

FEDERAL MANAGERS' FINANCIAL INTEGRITY ACT

Question (10). The Assistant Secretary or the Army for Financial Management has a major responsibility for the Army's compliance with the Federal Managers' Financial Integrity Act of 1982. How would you assess the Army's compliance with this act? What steps, if any, do you believe need to be taken to improve the quality of financial management in the Army?

Answer. I am advised that the Army has taken action to implement both the letter and the spirit of the Federal Managers' Financial Integrity Act of 1982. The Army's internal management control system is a positive one which provides operating managers at all organizational levels with management tools necessary to evaluate the effectiveness of these internal management controls. Army procedures impose a requirement to certify the effectiveness of these controls on a frequency determined by the degree of risk established for each task, and managers are encouraged to use these tools as a part of their daily managerial responsibilities. The determination of material weaknesses and the subsequent development of a plan and timetable for corrective actions appears to be a process which involves top Army management, beginning with the Secretary of the Army.

Also, an effort is underway to bring Army accounting systems into compliance with the Comptroller General standards with the goal to have eight accounting subsystems by 1992, all of which will be in compliance with these standards.

I shall maintain an objective view as to the quality of Army financial management and take whatever steps may be warranted should I find areas which I believe are not at the proper standard, especially those involving such principles as accuracy, accountability and timeliness.

BIENNIAL BUDGETING

Question (11). Do you support a 2-year budget for the Department of Defense?

Answer. Yes.

PERSONAL PERSPECTIVE

Question (12). Can you describe for the committee the perspective, outlook and personal qualifications that you would bring to the job of Assistant Secretary of the Army for Financial Management if confirmed?

Answer. My personal and professional qualifications for this assignment are based on education, military participation and management experience. I have a BA degree in political science and a Master of Public Administration degree from the University of Michigan. Both were concentrated in American studies and the administration of Federal and State governmental organizations. I have also completed advanced management training at The Executive Program of the University of Virginia Colgate Darden Graduate School of Business Administration.

I have served for over 22 years as a Naval Reserve Supply Corps officer and through this experience have become familiar with the business and financial management practices of the Department of Defense. I have attended the Reserve Defense Economics and Decision-Making Course at the Naval War College and the inter-service Reserve Components National Security Course of the National Defense University.

In the private sector, I have valuable business management experience having served as an association executive, a corporate officer of a Fortune 500 firm and as the founder and manager of a small consulting business.

My perspective and outlook as Assistant Secretary of the Army for Financial Management would be based on these qualifications and experiences. I would view the issues before me with maturity and experience; with the combination of a public sector understanding and a private sector management framework.

The ability to plan, direct and administer a financial management program; the capability to motivate and inspire subordinates; the skills to effectively articulate and communicate ideas and concepts; and a commitment to creating a collegial and cooperative work environment are essential to this assignment. I believe I bring these capabilities along with a positive orientation to problem solving and interpersonal relations.

[The nomination reference of Douglas A. Brook follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
January 23, 1990.

Ordered, That the following nomination be referred to the Committee on Armed Services:

Douglas Alan Brook, of Virginia, to be an Assistant Secretary of the Army, vice Ken Kramer, resigned.

[The biographical sketch of Douglas A. Brook, which was transmitted to the committee at the time the nomination was referred, follows:]

THE WHITE HOUSE

OFFICE OF THE PRESS SECRETARY

(For Immediate Release—December 12, 1989)

The President today announced his intention to nominate Douglas Alan Brook, of Virginia, to be an Assistant Secretary of the Army for Financial Management. He would succeed Ken Kramer.

Since 1982, Mr. Brook has served as the President of Brook Associates in Washington, D.C. Prior to this, he served with Libbey-Owens-Ford Company in Washington, D.C. as Vice President, 1979-1982; and Director of Public Affairs, 1976-1979. He also served with the National Association of Manufacturers in several capacities, 1970-1976.

Mr. Brook was graduated from the University of Michigan (B.A., 1965; M.A., 1967). He served as an officer in the United States Navy Supply Corps, 1968-1970. He was born January 15, 1944 in Chicago, Illinois. Mr. Brook is married and currently resides in Vienna, Virginia.

BIOGRAPHICAL SKETCH OF DOUGLAS A. BROOK

Professional: Entrepreneur, corporate officer and association executive with top level management experience in government relations and public affairs.

Military: A Supply Corps officer in the U.S. Naval Reserve with 21 years of service combining a Vietnam-era active duty tour and Reserve unit assignments at headquarters commands. Recently selected for promotion to captain.

Political: A long-time active Republican volunteer including volunteer advance in the George Bush presidential campaign in 1980, volunteer lead advance for the Office of the Vice President 1981-88 and volunteer lead advance for George Bush for President 1988.

Douglas A. Brook

Political Activities

A life-long Republican political activist, Doug Brook has been involved in GOP campaigns, organizations and governments at levels ranging from the precincts to the White House. He has been a consistent supporter of Republican candidates, organizations and principles. The following is a summary of his political activities over the past twenty-five years.

1980-1989

Volunteer Advance Staff
1980 George Bush for President
1981-88 Office of the Vice President
1988 George Bush for President

Volunteer Lead Advance for Domestic and Foreign Trips of The Vice President including:

1989 President's Trip to Ottawa, Canada
1989 Five Inaugural Events
1988 Republican National Convention
1988 Atlanta GOP Presidential Debate
1988 NBC GOP Presidential Debate
1987 Announcement/Houston Send-Off
1986 Trips Supporting GOP Congressional Campaigns, Coordinator of OVP Advance Seminar, Seminar Instructor, Author of Chapter in OVP Advance Manual
1984 Reagan-Bush Campaign Events
1982 Trips Supporting GOP Congressional Campaigns
1980 South Carolina GOP Presidential Debates
1981-88
Various Domestic Official and Political Events
Various Foreign Trips, including:

Columbia	Ghana
New Zealand	China
India	Zimbabwe
Germany	France
England	Canada
Tunisia	Switzerland
Bahrain	Israel

1980

Bush Delegate to Fairfax County, 10th District and Virginia State GOP Conventions

1979-83	Elected to two terms as Councilman in Town of Vienna, Virginia
1981	Campaign Volunteer -- Marshall Coleman Campaign for Governor of Virginia
1978-80	Delegate to County, District and State GOP Conventions in Virginia
	Republican Precinct Captain -- Member of Fairfax County Republican Committee
1978	Campaign Volunteer -- Senator John Warner
1978-80-82	Campaign Volunteer -- Congressman Frank Wolf
1970	Campaign Staff -- Governor William Milliken Michigan
1964-66	State Secretary -- Michigan Young Republicans President -- University of Michigan YR's
1964	Assistant Doorkeeper -- GOP National Convention
1962	Campaign Staff -- Michigan Republican Party

Captain (Sel) Douglas A Brook
Supply Corps
United States Naval Reserve

Military Resume

A senior Naval Reserve Officer with wide experience in supply management, public affairs and reserve unit administration.

Active Duty

January-May 1968	Officer Candidate School
June-November 1968	Navy Supply Corps School
December 1968-August 1970	USS LaSalle (LPD-3) Assistant Supply Officer

Advanced Education

Naval War College	Reserve Defense Economics and Decision-making Course
National Defense University	Reserve Components National Security Course

Reserve Unit Assignments

1984-Present	Naval Supply Systems Command 106
1978-83	Military Sealift Command HQ 206
1974-77	Military Sealift Command HQ 506
1973-74	Ship Supply Officer Division 5-4
1971-73	Naval Reserve Training Center Whitestone, NY

Naval Organizations and Activities

US Naval Academy	Trustee -- USNA Foundation Associate Member -- USNA Alumni Association USNA Information Officer('80-'84) Member -- Naval Academy Athletic Association
Naval Reserve Association	Member
Reserve Officers Association	Member
Navy Supply Corps Association	Member Trustee -- Washington Area Navy Supply Corps Assn (1985-86)

DOUGLAS A. BROOK

A successful and respected manager with strong organizational skills; experienced in public affairs, government relations and corporate decision-making at the highest levels.

Employment History

1982 - Present **President**, Brook Associates, Inc.
Head of a Washington-based company providing Washington representation, government relations, event management and public affairs consulting services to corporate and trade association clients.

1979 - 1982 **Vice President**, Libbey-Owens-Ford Company;
Manager of the Washington office of this $1.2 billion manufacturing company. Responsible for all aspects of federal government relations including information-gathering, policy analysis, legislative liaison, regulatory affairs and White House contacts. A corporate officer reporting to the chief executive officer responsible for advising top-management on public policy aspects of corporate decisions.

1976 - 1979 **Director of Public Affairs** Libbey-Owens-Ford Company.
Designed, implemented and managed the Company's political action committee; responsible for legislative and regulatory affairs and corporate public affairs communications.

1970 - 1976 **Acting Vice President, Public Affairs** National Association of Manufacturers.
Also various other NAM positions, including Assistant Vice President - Public Affairs, Director of Public Affairs and Director of Public Finance. A period of service in the Association's New York and Washington Headquarters with increasing levels of responsibility in the management of Association activities, including: public policy analysis, conference management, legislative liaison and the development and implementation of programs to enhance corporate public affairs activities.

Military Service

1968 - 1970 **U.S. Navy Supply Corps Officer**
Commissioned Ensign via Officer Candidate School, attended Navy Supply Corps School and served as assistant supply officer aboard USS LaSalle (LPD-3). Responsibilities included management of disbursing, food services and ship's service functions for 1000-man crew through two extended deployments.

1971 - Present **U.S. Naval Reserve**
Presently hold the rank of Commander in the U.S. Naval Reserve. Affiliated with the reserve component of the Naval Supply Systems Command. Working in the areas of industrial preparedness planning, competition in contracting, spare parts procurement and public affairs.

Public Service

1979 - 1983	Elected to two terms as **Councilman** in the Town of Vienna, Virginia. Served as Vice Mayor, Chairman of Charter Review Commission and Chairman of Cable TV Task Force.
1980 - Present	Volunteer staff member of the White House Advance Office serving the Vice President of the United States. Leader of advance teams for various domestic and international trips of the Vice President.
1984 - Present	Member of the Board of Trustees, U.S. Naval Academy Foundation, Inc.

Education

B.A. in Political Science	The University of Michigan	1965
Master of Public Administration	The University of Michigan	1967
Graduate of The Executive Program, Colgate Darden Graduate School of Business Administration	The University of Virginia	1977
Reserve Defense Economics Course	U.S. Naval War College	1984

Personal

Born: January 15, 1944
Married: no children
Addresses:

(office)
605 14th Street, N.W. No. 405
Washington, D.C. 20005
(202) 783-2191

(home)
410 Fellini Court S.E.
Vienna, Virginia 22180
(703) 281-5013

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by Douglas A. Brook, in connection with his nomination follows:]

UNITED STATES SENATE

COMMITTEE ON ARMED SERVICES

Room SR-228

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearings and will also be published in any hearing record as well as made available to the public.

1. **Name:** (Include any former names used.)
Douglas Alan Brook.

2. **Position to which nominated:**
Assiatnt Secretary of the Army (Financial Management).

3. **Date of nomination:**
January 23, 1990.

4. **Address:** (List current place of residence and office addresses.)
[Nominee responded and the information is contained in the committee's executive files.]

5. **Date and place of birth:**
January 15, 1944; Chicago, IL.

6. **Marital Status:** (Include maiden name of wife or husband's name.)
Married to Mariana (Proctor) Brook.

7. **Names and ages of children:**
None.

8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.

1961-67: The University of Michigan, 12/65 BA (Political Science); 5/67 Master of Public Administration.

1977: University of Virginia, Colgate Darden Graduate School of Business Administration. Attended and completed The Executive Program (6 weeks).

1984: U.S. Naval War College, attended and completed the Reserve Defense Economics Course (2 weeks).

9. **Employment record:** List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.

7/82 to present: President, Brook Associates, Inc., Washington, DC.

9/79 to 7/82: Vice President, Libbey-Owens-Ford Company, Washington, DC.

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

U.S. Naval Reserve, currently assigned to OP-OOK (CNO Executive Panel) sta.

11. **Business relationships:** List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

Brook Associates, Inc., President.
U.S. Naval Academy Foundation, Trustee.
Saltaire Property Owners Association, Director.

12. **Memberships:** List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

University of Michigan Alumni Association, member.
University of Michigan Club of Washington, Past President.
Congressional Country Club, member.
Carlton Club, member.
Capital Hill Club, member.
Saltaire Property Owners Association, Director.
Naval Academy Athletic Association, member.
U.S. Naval Academy Foundation, trustee.
Naval Academy Alumni Association, associate member.
Naval Reserve Association, member.
Reserve Officers Association, member.
Navy Supply Corps Association, member

13. **Political affiliations and activities:**

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

Councilman, Town of Vienna, VA 1979–83; candidate in 1978, 1979, 1981 and 1983.
Precinct Captain and member of Fairfax County Republican Committee, 1978.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

1984: Volunteer Advance, Reagan-Bush Campaign.
1988: Volunteer Advance, George Bush for President.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $100 or more for the past 5 years.

12/29/84, Friends of Frank Wolf.
5/10/89, Stan Parris for Governor.

14. **Honors and Awards:** List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Tribe of Michigamua, University of Michigan Senior Honor Society.
National Defense Medal.
Naval Reserve Medal.

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

Articles in Navy Supply Corps Newsletter:
"Supply on Gonzo Station" 10/80.
"DOPMA Update" 4/81.
"The Gray Fleet Supplies the Navy" 6/81.
"USNS Sirius Joins the Fleet" 8/82.
"USS *New Jersey*: Post Deployment Interview" 11/84.
"Supply Corps Harvard Reunion" 10/85.
"Supply in the Middle East Force" 8/86.

16. **Speeches:** Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

None.

17. **Selection:**

(a) Do you know why you were chosen for this nomination by the President?

Qualified; desire to serve after 10 years of voluntary service to the President.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

Education: MPA degree, UVA Executive Program, NWC Defense Economics Council.

Military Experience: 22 years active duty and reserve service as Navy Supply Corps Officer.

Management Ability: Senior level experience in corporate, trade associate and entrepreneurial environments.

Washington Experience: 15 years in Washington; understanding of structure and processes of government.

Personal: Healthy, motivated and ethical.

18. **Commitment to testify before Senate committees:** Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

Name: Douglas Alan Brook.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

Part D—Legal Matters

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

Part E—Foreign Affiliations

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past 10 years have your or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employers, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either, individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

D. A. BROOK.

This 28th day of December, 1989.

[The nomination of Douglas A. Brook III was reported to the Senate by Senator Sam Nunn on February 27, 1990, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on February 28, 1990.]

[Prepared questions submitted to Stephen K. Conver by Senator Nunn prior to the hearing with answers supplied follow:]

JANUARY 19, 1990

Hon. SAM NUNN,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your note of congratulations on my nomination to be the Assistant Secretary of the Army for Research, Development and Acquisition.

I look forward to appearing before your committee and am pleased to share with you my views on several key issues in advance. I trust you will find the enclosed answers to your questions responsive.

Sincerely,

STEPHEN K. CONVER.

Enclosure.

DEFENSE REFORMS

Question (1). As the Assistant Secretary of the Army (Research, Development and Acquisition) will you fully support the defense reforms mandated in 1986: the Goldwater-Nichols Department of Defense Reorganization Act, the Packard Commission recommendations, and the special operations and low intensity conflict reforms? What role would you play in the full and timely implementation of these reforms?

Answer. The Army fully supports the defense reforms mandated in 1986. Implementation of the Goldwater-Nichols Department of Defense Reorganization Act has been completed successfully. A key element of this implementation was placing sole responsibility for acquisition matters within the Headquarters, Department of the Army on the Assistant Secretary of the Army for Research, Development, and Acquisition. If confirmed in that position, I will fully support all the Goldwater-Nichols reforms.

The Army began implementing the results of the Packard Commission in January of 1987 by establishing a three-tier reporting chain for program management. Under this arrangement, the Program Managers (PMs) report to the Army Acquisition Executive through the Program Executive Officers (PEOs). The recent Army Management Review builds upon the Army's 1987 implementation of the Packard Commission recommendations. The management review establishes the Army Acquisition Corps, further streamlines acquisition management and implements a variety of management initiatives.

The Army has been working diligently with the Commander in Chief of Special Operations Command (SOCOM) to ensure a smooth transition for SOCOM's assumption of acquisition authority for special operations peculiar weapons. A detailed Memorandum of Agreement with SOCOM is being prepared that outlines specific roles and responsibilities for acquisition of special operations peculiar equipment.

The role of the ASA(RDA) is to ensure the defense reforms mandated by Congress in 1986 are not only fully implemented, but are also built upon and strengthened so that our weapon systems can be acquired efficiently and effectively. This will be paramount in my efforts.

DUTIES

Question (2). Has Secretary Stone advised you of the responsibilities he will ask you to undertake pursuant to his authority to prescribe the duties of the Assistant Secretaries of the Army? If so, please describe those responsibilities.

Answer. Yes, Secretary Stone and I have discussed the responsibilities that I will have if confirmed by the Senate. Most significantly, he has assured me that I will serve as the Army Acquisition Executive. My specific duties, which are spelled out in the recently-revised version of Army Regulation 70-1, are summarized in the answer to question 5. My focus will be on the cost, schedule and performance of Army systems to ensure our soldiers are provided the equipment they need to deter, fight if deterrence fails, and win. I am looking forward to working closely with John Betti on acquisition matters. We will meet weekly with the other Service Acquisition Executives, all of whom are dedicated to the principles in Goldwater-Nichols, Packard, and Secretary Cheney's July 1989 Defense Management Report.

CINC REQUIREMENTS

Question (3). One of the principal responsibilities of the Secretary of the Army is to fulfill the current and future operational requirements of the unified and specified combatant commands. To what extent do existing Army processes and procedures ensure that those requirements are known and fully considered in the research, development and acquisition activities of the Army?

Answer. Combatant Commanders have two major avenues to identify operational requirements to the Army. These requirements normally receive high priority, but in Army efforts to build a program that provides a balanced, affordable warfighting capability, some stated CINC requirements may not be funded by the Army. Let me briefly describe the process as I understand it.

First, through the Army Component Commanders (ACC), CINCs identify warfighting needs to Army Branch schools and integrating centers. During the Concept Based Requirement System (CBRS) process, these requirements are prioritized and are published in the Battlefield Development Plan (BDP). The CINCs, through the Army Component Commanders, are afforded an opportunity to review and comment on the BDP and all materiel requirements documents prior to final approval. The priorities established through CBRS are used in developing the Army Long Range Research and Development Plan (LRRDAP) which provides the basis for the RDA portion of the Army Program Objective Memorandum (POM).

Second, the CINCs also participate *directly* in the Planning, Programming, Budgeting and Execution System (PPBES) through the use of Integrated Priority Lists (IPL). IPLs are submitted to the Chairman of the Joint Chiefs of Staff, then distributed to the services and Defense Agencies. They identify key problem areas which, in the judgment of the CINCs, require personal attention of OSD's senior management. Within the Army, the IPLs are distributed to the Secretariat and Headquarters Staff and are carefully analyzed during Army POM preparation. The ASA(RDA) staff determines whether the desired development or production is included in the LRRDAP and, if not, validates the projected RDT&E and procurement resource requirements for inclusion in the POM based on priorities proposed by the Office of the Deputy Chief of Staff for Operations and Plans.

A separate POM Annex identifies how well the CINC IPLs are resourced and describes the degree to which the POM supports CINC requirements. CINCs are provided copies of the the service POMs and are invited to present their assessment of service POMs to the Defense Planning Resources Board (DPRB) during the OSD reviews. The CINCs also ensure their interests are addressed by the Army when they review and comment on the draft biennial budget. During the OSD Budget Reviews, the CINCs have another opportunity to address the DPRB.

Question. If room for improvement exists in this area, what steps would you take, if confirmed, to ensure consistency with those requirements?

Answer. Since inclusion of CINC Army Component Commanders (ACC) in the LRRDAP process is new, room for improvement may still exist. Part of the solution involves continuing work to familiarize ACCs with internal Army processes and to encourage their comments on support to CINCs during regularly scheduled Army Commanders' Conferences. I will direct my staff to continue working with ACCs to bridge the lack of knowledge and understanding of the Army acquisition process and I will encourage them to become familiar with CINC missions and issues so they are aware of and sensitive to identified requirements. By doing this, the LRRDAP, and ultimately the RDA portion of the POM, should better reflect the operational capability requirements reflected in the CINC IPLs.

ILL WIND

Question (4). Although the Ill Wind investigation and prosecutions continue, there has been a great deal of information made public to date. What specific lessons have you drawn from such information in terms of managing the acquisition process?

Answer. The first lesson of Ill Wind is the need for constant vigilance. Although no Army employees have been implicated in the "Ill Wind" investigation to date, it's clear that we must continue to be vigilant both in ferreting out wrongdoing and in aggressively pursuing wrongdoers once discovered.

That vigilance will be demonstrated in many ways. The Army is committed to support of the DOD Ethics Council and its mission of developing a model ethics program. I fully agree with the value of conducting DOD-wide ethics conferences and support the on-going review of existing compliance programs.

I am also committed to aggressively continuing with the Army's existing fraud, waste and abuse program. This program was initially established by Secretary Marsh in January 1986 and has been very successful. The program is overseen by a special task force comprised of the Army's top leadership, including the Assistant Secretary of the Army (Financial Management), the Commander of Criminal Investigation Command (CMD), the Inspector General (IG), the General Counsel, the

Auditor General and the Judge Advocate General (JAG). If confirmed, I will chair this task force.

Actual day-to-day operations of the fraud, waste and abuse program are managed by a specially-created procurement fraud division located within the Army JAG. As a result of these efforts, the Army has recovered more than $150 million since January 1986, including over $40 million in fines or restitution from criminal action.

I intend to continue the use of sanctions when they are warranted. These include suspensions, debarments and settlement agreement enforcement. I will also continue to discuss the importance of ethics with our contractors through conferences, letters, in solicitations, and Army public affairs publications.

I will be committed to continuing, aggressive implementation of DOD standards of conduct. That implementation currently includes an extensive awareness program, formal visitor registration and other measures aimed at precluding the improper release of acquisition information.

I believe we must strive for a better balance in our efforts to improve the Defense acquisition process. For example, we need to find a better way of preventing improper contacts between government and contractor personnel while recognizing the need for legitimate and necessary interaction with contractor representatives. We must strike a better balance between our fraud, waste and abuse efforts and the need for more efficient and effective defense management.

Success in improving the acquisition process will require continuous effort to effect cultural changes. I am committed to making that happen.

ROLE IN ACQUISITION PROCESS

Question (5). As the Assistant Secretary of the Army for Research, Development and Acquisition, will you serve as the Acquisition Executive for the Army? If not, what will your relationship be to the Acquisition Executive and how will you fit into the Army's acquisition chain? What will be your responsibilities as the Assistant Secretary for Research, Development, and Acquisition?

Answer. The Secretary of the Army is the current Army Acquisition Executive as a result of the resignation of the previous Assistant Secretary of the Army (Research, Development, and Acquisition) (ASA(RDA)).

If confirmed as the ASA(RDA), I will be designated the Army Acquisition Executive.

The Assistant Secretary of the Army position I will occupy, if confirmed, is established by law; however, the duties of that position are not specified in the law like those of the Assistant Secretary of the Army (Financial Management), the Assistant Secretary of the Army (Civil Works), and the Assistant Secretary of the Army (Manpower & Reserve Affairs). Rather the duties of the ASA(RDA) are specified by the Secretary of the Army and are found in General Order No. 15, 12 Jun 85, and AR 10-5. Pre-eminent in the responsibilities is serving as the Army Acquisition Executive. Other prominent responsibilities include:

a. Science Advisor to the Secretary of the Army,

b. Senior Procurement Official,

c. Proponent for the Army Acquisition Corps,

d. Research, development, and acquisition of weapons; weapon systems; support systems; ammunition; communication systems; command, control and intelligence systems; target acquisition systems; tactical automatic data processing, and computers.

ARMY ACQUISITION PROCESS

Question (6). In your judgment, what are the most serious shortcomings of the current Army acquisition process?

Answer. Since I have yet to serve as the Army Acquisition Executive, I will provide a preliminary answer. I have identified five areas where I believe there may be room for improvement and where I intend to concentrate my initial efforts. If confirmed, after I have worked in the job for several months, I will have a better understanding of the specific Army Acquisition improvements that are needed.

The first challenge is to attract quality personnel who are experts in systems development and acquisition. We must provide incentives to attract and retain "the best and the brightest" professionals for the demanding tasks ahead of them.

In order to meet this challenge, the Army established the Army Acquisition Corps (AAC) on January 11, 1990. The AAC will enhance and sustain the acquisition skills of a select group of officers and civilians. The program will integrate education, training, assignments, and promotion for military and civilian members of the AAC.

The AAC will be managed as a Total Army Program. A single AAC management structure will be established to oversee, direct, and administer the program. As the Army Acquisition Executive (AAE), I will head the Army-level Executive Board that will oversee the AAC.

The second challenge is to link accountability with responsibility for acquisition decisions instead of spreading accountability among numerous officials. The Army has made great strides in meeting this challenge by instituting in 1987 a three-tier reporting chain for program management consisting of the Army Acquisition Executive (AAE), Program Executive Officers (PEOs), and Project/Product Managers (PMs). These actions meet the challenge of linking accountability with responsibility by establishing clear, abbreviated lines of authority; removing unnecessary layers; and streamlining the decision process.

The third challenge is to ensure the requirements process balances the military requirement with considerations of available technology and program cost. The balancing of requirements, technology, and cost must be continuous and must involve the materiel user as well as the materiel developer. Without this continuous balancing of technology and cost, weapon systems can suffer from overspecification which increases risk, drives up cost, and stretches development times. Overspecification can also be a impediment to the acquisition of commercial products by requiring unnecessary features and by discouraging potential bidders.

The Army has made strides in meeting the challenge of balancing requirements with technology and cost by requiring that the military requirement (Required Operation Capability) and the draft Request for Proposal (a contracting document) be reviewed by key officials at Department of the Army Headquarters in order to ensure compatibility. Our goal is to eliminate requirements that add no value or only marginal value to the final product while maintaining essential performance and quality.

The fourth challenge is to improve program stability. Program instability leads to time delays and cost increases which, in turn, may lead to excessive reviews by the bureaucracy. Resolution of the problems brought about by the program instability forces difficult choices among cost, schedule, and performance.

The Defense Management Report (DMR) goes to the heart of program instability with a comprehensive road map for improving the performance of the defense acquisition system and enhancing program stability. The Secretary of Defense has instituted a more realistic budgeting process which will help the Army ensure program stability. The Army is also making realistic assessments of our long range planning efforts to ensure we do not start programs that are not affordable.

The fifth challenge is to improve the public's perception of the Army's Acquisition System. By public, I mean the taxpayer, the Congress, and private industry. When people perceive that acquisition is not being properly managed, the Army loses its ability to gain the support necessary to develop, acquire, and field weapon systems. Additionally, private industry is discouraged from entering the defense business. And last, the substantial efforts of many Army professionals go unrewarded.

Question. What authority will you have to implement changes to overcome these shortcomings?

Answer. As the chief acquisition executive with the Army, I will have the responsibility and commensurate authority to ensure the Army acquisition system is tightly managed and the above challenges are met and overcome.

Question (7). To what extent has the Army implemented the directions of the Packard Commission in revising its acquisition procedures? What directions have not been fully implemented? What role will you have in implementing these directions?

Answer. The Army began implementing Packard Commission recommendations in January 1987. Most of the recommendations relating to the Acquisition Organization and the Government-Industry Accountability have been completed. Those recommendations regarding Acquisition Organization have the most far reaching consequences and are summarized below.

Army developed a three-tier reporting chain for program management consisting of:

a. Army Acquisition Executive (AAE),
b. Program Executive Officers (PEOs),
c. Project/Product Managers (PMs),

Our implementation efforts have been acknowledged in the GAO's November 1989 Report (see enclosed chart). The GAO indicates there are only four characteristics the Army has not incorporated into our implementation of the Packard Commission recommendations. Our progress on the four characteristics is as follows:

a. *Service Acquisition Executive should be Equivalent to a Service Under Secretary:* In accordance with the Secretary of Defense's Defense Management Report, the Army intends to designate the Assistant Secretary of the Army (Research, Development, and Acquisition) (ASA(RDA)) as the Army Acquisition Executive (AAE). As ASA(RDA) and AAE, I will have unimpeded access to the Secretary of the Army on acquisition matters and will work closely with the Under Secretary of Defense for Acquisition and all fellow Service Acquisition Executives. This will ensure sufficient "clout" to meet the goals of the Packard Commission.

b. *PEOs should manage the resources dedicated to the assigned programs:* Starting January 1, 1990, the Assistant Secretary of the Army (Financial Management) is providing funding resources directly to the PEOs rather than through the materiel commands. Second, the Army is also providing manpower resources directly to the PEOs from the Headquarters, Department of the Army. Therefore, PEOs now can manage their resources across all assigned programs.

c. *PMs should control resources dedicated to their programs:* As stated in the paragraph above, funding and manpower resources are now being provided directly to the PEOs by the Headquarters, Department of the Army. PEOs, in turn, are providing resources directly to their subordinate PMs. Thus, the PMs now have control over the resources necessary to perform their mission.

d. *PMs should appraise the performance of most program staff members:* PMs now appraise the performance of all personnel who work directly for them. Additionally, the Army has instituted a new procedure whereby PMs have "letter input" for personnel who provide direct matrix support by the materiel commands.

As can been seen by the progress the Army has made over the past 3 years, we have implemented virtually all the Packard Commission recommendations. If confirmed as the ASA(RDA), I will continue to actively support the Commission recommendations and seek new innovative approaches to acquisition management.

Comparison of the Services Three-Tiered Acquisition Chains to the Commission's Three-Tiered Acquisition System

The following table compares the characteristics of each services' three-tiered acquisition chain to the traits envisioned by the Commission. Although the Army adopted more of the Commission's recommended traits than the Navy or the Air Force, none of the services incorporated all of the recommended characteristics.

Table 3.1: Comparison of the Services' Implementation of the Commission's Three-Tiered Acquisition System

Commission's recommended characteristics	Services' implementation characteristics		
	Air Force	Navy	Army
SAE			
Selected by Secretary and USD(A)	No	No	Yes
Equivalent to a service under Secretary	No	Yes	No
Devotes full time to acquisition matters	Yes	No	Yes
Controls major acquisition program resources	No	Yes	Yes
Appoints the service's PEOs	No	No	Yes
Authority to resolve major program issues and conflicts as they arise	No	Yes	Yes
PEO			
Appointed by the SAE	No	No	Yes
Reports only to the SAE	No	No	Yes
Devotes full time to a reasonable and defined number of programs	No	No	Yes
Manages the resources dedicated to the assigned programs	Yes[a]	Yes[a]	No
Appraises the performance of all program managers	No	No	Yes
Program manager			
Reports only to the PEO	Yes	No	Yes
Controls resources dedicated to their programs	No	No	No
Appraises the performance of most program staff members	Yes	Yes	No

[a] These officials control resources because they command organizations, not because they were given the title of PEO.

Question (8). In his formal answers to questions posed by the committee, Secretary Stone indicated that he believed two key steps might be taken to strengthen the Army's acquisition process. First, he suggested that appropriated funds be transferred directly to program executive officers, rather than being dispensed by intermediary management levels. Second, he questioned the viability of matrix management and suggested that resources be provided directly to program executive officers. What has been done to implement these two changes? What role will you have in implementing them?

Answer. Starting January 1, 1990, the Army is transferring appropriated funds directly to program executive officers (PEOs) rather than through intermediary management levels. Second, the Army is also providing manpower resources directly to PEOs from the Headquarters, Department of the Army (HQDA).

The materiel commands (i.e., intermediary management levels) will continue to provide a variety of support functions, however, the key resources (dollars and manpower) will be issued directly from HQDA.

The ASA(RDA) will be in charge of the Acquisition Management Support Agency (AMSA), which will administer the manpower resources for the PEOs.

The Assistant Secretary of the Army (Financial Management) (ASA(FM)) is responsible for providing funding resources directly to the PEOs. The ASA(RDA) assists the ASA(FM) in this responsibility by providing advice and counsel to the ASA(FM) on the amount of funding each PEO requires.

As Army Acquisition Executive, the ASA(RDA) will be responsible for ensuring the PEOs have the resources necessary to carry out their mission free of administrative burdens and unnecessary management layers.

MANAGEMENT SKILLS

Question (9). As a senior manager and leader in the Army, and potentially as the Acquisition Executive for the Army, you will be responsible for managing a substantial organization in a time of critical change. How would you assess your management and leadership skills?

Answer. I believe my education and experience have provided me the management and leadership skills necessary to conduct the duties of the Army Acquisition Executive. My undergraduate education at the U.S. Air Force Academy was heavily oriented toward leadership and management skills, both in terms of the scholastic curriculum and the practical day-to-day experience of leading others in various military activities. Likewise, my Master's Degree program in Operations Research focused on quantitative approaches to sound decision-making.

In my professional experience, all in Government service, I have progressed from being a junior "action officer" in the Air Force through positions of increasing responsibility to become a senior Government manager. During my 9 years of commissioned military service, I served as a project or study manager for a large number of long-range analytical and planning efforts that were presented to the highest levels of the Air Force. Moving to civilian life in 1975, I worked at the U.S. Nuclear Regulatory Commission, where I ultimately managed a staff of 20 senior program analysts in conducting the management analysis functions of the entire agency. In 1981, I accepted a career Senior Executive Position with the Air Force, where I was responsible for managing a staff of program analysts and advising the Secretary on the development of the annual Air Force programming and budgeting activities and the financial aspects of all major Air Force acquisition programs. During this period, I attended the senior government managers' course at the Federal Executive Institute.

In 1985, I joined the professional staff of the House Armed Services Committee, where I functioned as a minority staff director on the bipartisan staff. This position provided me management and leadership skills and experience quite different from the traditional supervisory jobs I had previously held, but the skills I gained in this position will be most useful in the Army acquisition position.

In summary, I believe my management and leadership skills are very well suited to performing the duties of Assistant Secretary of the Army (Research, Development, and Acquisition). I am used to dealing with the Defense Department senior leadership and the defense oriented committees of Congress. I know what is needed to be successful. Also, I believe my background is particularly strong in areas where the acquisition process has experienced difficulties: in programming and budgeting, in the military requirements process, and in the congressional review process. I like to work hard and never hesitate to roll up my sleeves and spend the time necessary to sort through an issue. I'll do my homework. I like to be on a team and have the utmost respect for my colleagues, both civilian and in uniform.

DEFENSE MANAGEMENT

Question (10). What directions do you anticipate the Secretary's Defense Management Review will take for the Army?

Answer. On Thursday, January 11, 1990, the Secretary of Defense announced six broad goals (or directions) the Department of Defense will take as a result of the Defense Management Review (DMR). Although there is more to be done, we have already taken steps to meet the goals provided by the Secretary of Defense. The goals and corresponding Army actions are:

a. Reduce overhead costs while maintaining military strength:

(1) The army established a streamlined, three-tier reporting chain in 1987 to manage acquisition programs. It consists of the Army Acquisition Executive (AAE), Program Executive Officer (PEO), and Program Manager (PM).

(2) Significant reductions will be made in the number of personnel assigned to Army Materiel Command and Information Systems Command. These savings are made possible by eliminating duplication of effort between the Major Commands and PEOs. The reductions will be realized primarily through attrition over the next 5 years.

(3) The Army is studying the possibility of consolidating activities such as research and development laboratories, testing facilities, and contract administration services to achieve economies and efficiencies.

(4) Starting on January 1, 1990, we are providing funding and manpower resources directly from HQDA to PEOs rather than through materiel commands.

b. Enhance weapon systems program performance:

On January 11, 1990, the Army established the Army Acquisition Corps to develop a dedicated pool of proven professionals for future acquisition management. Proponency for the Army Acquisition Corps rests with the ASA(RDA).

c. Reinvigorate the planning and budgeting process:

The Army will participate with DOD in the new Defense Planning and Resources Board which will integrate strategy and policy throughout the programming and budgeting process.

d. Reduce micromanagement:

(1) The Army participated with OSD in reviewing over 1200 policy directives and is currently conducting an exhaustive review of our internal regulation of the acquisition process.

(2) In furtherance of DOD's policy on regulatory relief, the Army began several years ago to eliminate and consolidate acquisition regulations.

(3) During the current fiscal year we plan to consolidate several more stand-alone regulations into the Army's capstone acquisition regulation, AR 70-1, "System Acquisition Policy and Procedures."

e. Strengthen the defense industrial base:

The Army will restrict the use of fixed-priced contracts for research and development efforts.

f. Improve observance of ethical standards in government and industry:

(1) The Army is participating with DOD in the conduct of the DOD Ethics Council.

(2) The Army has long had a cadre of ethics counselors at all organization levels. These counselors, placed in Judge Advocate and General Counsel offices, advise and educate active and retired personnel on all standards of conduct, including release of information.

(3) In recent years we have substantially increased our procurement fraud staff and assigned procurement fraud advisors at all significant contracting activities.

(4) The Army has telephone hotlines and newsletters educating our acquisition professionals and others on "do's and don'ts" in the complex acquisition world.

The Army is well on the way to accomplishing the basic tenet of the DMR: ". . . develop a plan to accomplish full implementation of the recommendations of the Packard Commission and to realize substantial improvements . . . in defense management overall."

Army will continue its leadership role of implementing the Defense Management Review goals.

Question. What responsibility will you have in implementing those directions?

Answer. ASA(RDA) is the key executive within the Army for implementation of the Defense Management Report and is responsible for achieving most of the goals outlined above.

ARMY LABORATORIES

Question (11). If you are confirmed in this position, will you have oversight responsibility over the Army Laboratories?

Answer. I will have oversight responsibility over the entire Army Research, Development and Acquisition organization, including our laboratories.

Question. How effective is the Army laboratory system?

Answer. The Army laboratory system is very effective. Their role is to provide in-house analysis of proposed requirements and develop advanced concepts for future systems. Additionally they provide quick reaction solutions to field problems and substantially leverage the investments, capabilities and talents of industry, academia and other Government agencies. And, finally, the laboratory system is a key factor in transitioning and achieving domestic technology transfer. To improve our effectiveness, the Army established a Task Force to evaluate the laboratory structure. The LAB 21 Task Force will make recommendations to the Secretary and Chief of Staff, Army in February 1990. The Task Force will subsequently develop a coordinated plan of transition and actions that will eliminate and reduce management layers and strengthen the defense technology base.

Question. What changes in personnel management and compensation should be implemented in the laboratories?

Answer. I believe that there are several personnel management and compensation changes that would significantly benefit our laboratory system. These are:

(1) Simplification of personnel position classification by removing current burdensome rules and by delegation of position classification responsibility to line supervisors.

(2) Implementation of a separate career ladder for laboratory scientists and engineers wherein career advancement and salary are governed by the individual's professional progress and peer recognition. The pay scale would parallel the current general management (GM) scale for managers.

(3) Providing lab directors greater authority in decision making for their organization on procurement, personnel and other support functions.

(4) Providing incentives in compensation, training and suitable work environment in order to attract, develop and retain highly qualified scientists and engineers.

Question. What do you recommend should be the Army's approach and commitment to technology base funding in periods of restricted budgets?

Answer. We cannot afford to mortgage our future by cutting our technology base. Technological superiority in support of national policy is a key element of our military strategy. Therefore, the Army has issued guidance that the basic research (6.1) and exploratory development (6.2) programs should be funded at 2 percent real growth based on fiscal year 1990 funding levels. Further, the Army is attempting to sustain our 6.3A non-system specific advanced development programs that support force modernization plans. We must continue to support technology development for new starts and product improvements which serve as insurance against an unexpected reversal in the recent reduction in superpower tensions.

Question. As a matter of policy, how much of the technology work should be conducted by Army laboratories and how much by other Government labs or by laboratories in the private sector?

Answer. In fiscal year 1989 approximately 40 percent of the Army's technology base funding was expended in-house. The remainder went to industry, academia and other Government laboratories. I believe that the in-house to external ratio should remain at about this level. We should continue our current efforts to seek means to reduce overhead in Army laboratory systems and to improve our overall efficiency. The current emphasis on the Army Domestic Technology Transfer Program and pursuit of dual-use technology opportunities is prudent. The Army Domestic Technology Transfer Program is a good example of how the Army can speed dual-use technology out of the Army laboratories and into the private sector by working together with that sector. The relatively modest investment in the Army Centers of Excellence is leveraged considerably by funding support by universities, State governments and industry at these Centers.

SOLDIER/MARINE ENHANCEMENT PROGRAM

Question (12). Last year the Congress instituted a new program called the Soldier/Marine Enhancement Program. The basis of the initiative was the conclusion that too much of the Army's acquisition system is oriented toward developing and procuring very sophisticated and complicated weapons, and that the needs of the ordinary infantrymen have been neglected. The Congress concluded that equipment developed privately or by other countries could be procured and evaluated quickly, avoiding the need to initiate redundant development efforts. How do you intend to implement the Soldier/Marine Enhancement Program?

Answer. During the Senate debate on the fiscal year 1990-91 Defense authorization bill, a proposal was submitted to increase RDT&E funding for "Soldier Enhancements" by $30M ($18M for the Army and $12M for the Marine Corps) for fiscal year 1990. This initiative was passed into law and the funds provided with the passage of the fiscal year 1990 Authorization and Appropriations bills.

Using these funds the Army has initiated the Soldier Enhancement Program which is intended to increase the survivability and lethality of dismounted soldiers. Given the personal, as well as professional implications of these objectives to all soldiers, I am certain the Army is most appreciative of the efforts of the Congress, and particularly the initiative of the Senate Armed Services Committee in this effort.

In preparing to respond to this question I have reviewed the efforts of the Army to date. I find that while significant effort and resources have been expended previously on such items as individual weapons, clothing and protective gear, the funds from the Soldier Enhancement Program initiative will permit pursuing many smaller programs which previously could not compete for adequate funding. I support the approach taken by the Army to execute this program. In effect the Army has formed a headquarters working group which has solicited candidate items from the Major Subordinate Commands of the Army Materiel command (AMC). The proposed candidates are currently under review by the AMC executing agencies in conjunction with the respective Training and Doctrine Command proponent schools, which serve as the user representatives in R&D matters.

Coordination has been conducted and a working relationship established with the Marine Corps to ensure the services do not duplicate efforts and that both benefit from each others work. Further, the Army intends to use this program to quickly introduce selected items into the field for "common sense" evaluation by soldiers with the goal of accelerating the introduction of the best systems into the inventory.

This will most likely lead to increased use of commercial products, a concept I favor. I also strongly support accelerated procurement efforts and therefore find the Soldier Enhancement Program to be an effort to which I can lend my wholehearted support, consistent with the availability of funding in light of competing defense priorities.

I have attached to this response a preliminary listing of Army initiatives under this program, to include their dollar value and the R&D center with proponency. I have been advised that the Army intends to program additional out-year funds to complete efforts under this program. If confirmed, it will be my objective to procure and evaluate as many of these items this year as is possible and complete the remainder next fiscal year.

SOLDIER/MARINE ENHANCEMENT

ARMY INITIATIVE

- Natick R&D Center
  - Eye protection for ground troops, $2,450K
  - Lightweight personnel armor, $1,200K
  - Individual clothing and equipment, $700K
  - Helmet, $600K
  - Ration heating equipment, $450K
  - Self heating tray rations, $300K
  - Water purification, $350K
  - Ethnic/traditional operational rations, $900K
  - Tents, $1,800K
- Belvoir R&D Center
  - Small projected line charge, $1,100K
  - Antipersonnel mine/booby tray neutralization, $1,300
  - Scatterable mine clearing system, $250K
  - Pen lights/flashlights, $300K
- Armament R&D Center
  - M249 saw assault pack, $300K
  - Rifle optics, $400K
  - Joint services small arms program, $3,000
  - Advanced crew served weapons system, $850K
  - Advanced rifle grenade munition, $1,350K
- Communications Electronics Command

Laser alarm device for the individual soldier, $400K
— Army Program Total, $18.0 mil

BALANCED TECHNOLOGY INITIATIVE

Question (13). The Army has had more programs initiated through the Balanced Technology Initiative than any other Military Department. What role does the Army foresee for the BTI program?

Answer. I am pleased to report that the Army has done very well in the BTI program. As you know, BTI was initiated in fiscal year 1987 to "expand research on innovative concepts and methods of enhancing conventional defense capabilities" and to support "restoration of the conventional defense technology base." In fiscal year 1987 the Army competed for BTI new starts and, of the 48 approved projects, ten were Army programs. In addition to the Army-managed projects, many other BTI projects (e.g. DARPA projects) had direct application to Army mission needs. During fiscal year 1988, the Congress required BTI to initiate another set of new start projects. Of the 15 projects approved in fiscal year 1988 and initiated in early fiscal year 1989, five were Army programs. The Army's role in this original BTI program was to enhance the development of enabling technologies, and to conduct technology demonstrations to accelerate the transition of technology into emerging systems. Of the 23 fiscal year 1990 BTI projects, three are Army lead, four are joint programs with Army lead, and nine others have Army application. The projects in the restructured program are technology demonstrations/prototypes; the enabling technology efforts were terminated.

Question. How does it fit in with its other development plans?

Answer. The role of the current BTI program in the Army is to complement our own mission funds and accelerate the development of new or enhanced warfighting capabilities through prototype systems. BTI fits into the Army's development plans because the Army transitions these prototypes to Full Scale Development (FSD) programs or as Product Improvements to existing or emerging systems. The Army has incorporated BTI into the Army materiel development planning process. BTI is included in the Army Technology Base Master Plan (ATBMP) as an excellent example of leveraging research and development resources outside the Army. BTI allows the Army to undertake higher risk programs than it can afford to pursue in the current environment of restricted budgets. It greatly facilitates joint and Tri-service projects, and the flexibility of BTI has proven invaluable in allowing us to pursue innovative new ideas and windows of opportunity for new programs. In the future we foresee the Army continuing to play a major role in competing for new BTI projects as current projects transition to the services.

[Questions for the record with answers supplied follow:]

QUESTION SUBMITTED BY SENATOR SAM NUNN

DUPLICATION IN HELICOPTER DEVELOPMENT

Senator NUNN. In its report on the defense authorization bill for fiscal year 1989, the committee criticized the simultaneous development of six different fighter aircraft by the United States and its allies: ". . . it is clear that there will be a significant degree of duplication in R&D and that production rates for most, if not all, of these aircraft will likely be very inefficient."

Are we currently in the same situation with light attack helicopters with the U.S. LHX, the Italian A-129, the Franco-German PAH 2, and the Tonal Light Attack Helicopter?

Do you intend to explore opportunities for cooperation with our allies for the development of the LHX?

Mr. CONVER. Requirements for the U.S. LH, the Franco-German PAH-2, and the LAH (Tonal: UK/NL/IT/SP) are very similar. Initial fieldings of these helicopters are also roughly at the same time (late 1990's). The Franco-German PAH-2 program appears to be quite firm with strong support from France and Germany. The LAH Tonal program appears to be doomed at this time. The Tonal members are being wooed by the PAH-2 consortium for possible buy-in and off-sets. The UK and the Netherlands have expressed interest in the AH-64 Apache as a near term solution to their light attack helicopter requirements. The Italian A-129 is in production and does not meet the requirements of any of the countries seeking a new light attack helicopter.

Yes, we are pursuing opportunities for international cooperation on the LH program. Presently, the competing U.S. LH industry teams have solicited subcontractor arrangements with numerous foreign companies for portions of LH subsystems. Foreign industry is reluctant to commit to any one U.S. team until the selection is made as to which team will be selected for Full Scale Development and subsequent production. Allied cooperation in codevelopment and/or subsequent co-production is possible during the FSD phase. The current LH program would have to be restructured for allied involvement with an associated program slip of up to 2 years, delaying the Army's required fiscal year 1997 initial operating capability.

[The nomination reference of Stephen K. Conver follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
September 6, 1989.

Ordered, That the following nomination be referred to the Committee on Armed Services:

Stephen Kay Conver, of Virginia, to be an Assistant Secretary of the Army, vice Jay Raymond Sculley, resigned.

[The biographical sketch of Stephen K. Conver, which was transmitted to the committee at the time the nomination was referred, follows:]

BIOGRAPHICAL SKETCH OF STEPHEN K. CONVER

STEPHEN K. CONVER

Stephen K. Conver is a member of the professional staff of the House Armed Services Committee, where he serves as the principal staff advisor to Congressman Bill Dickinson (the Ranking Republican) and the twenty other Republican Members of the HASC. The scope of his responsibilities includes all defense matters under the jurisdiction of the Committee.

Prior to joining the Armed Services Committee in December 1985, Mr. Conver served for four years on the staff of Secretary of the Air Force Verne Orr as Deputy Assistant Secretary (Programs and Budget). In this career Senior Executive Service position, he was responsible for overseeing the development, approval, and execution of the Air Force budget.

Between 1975 and 1981, Mr. Conver held several positions with the U.S. Nuclear Regulatory Commission, beginning as an operations analyst and progressing to Chief of Analysis and Planning for the agency.

After receiving his bachelor of science degree from the U.S. Air Force Academy in 1966, Mr. Conver served for nine years as a commissioned officer in the Air Force. He earned a Master's Degree in Operations Research from Ohio State University in 1970. Mr. Conver's Air Force experience covered a broad range of subjects, including technical analysis of Soviet weapon systems, long-range planning studies in support of advanced Air Force weapons acquisitions, and analysis of U.S. strategic force options under a SALT agreement.

Mr. Conver was born in Memphis, Tennessee and grew up in Cincinnati, Ohio. He presently resides in Great Falls, Virginia with his wife Nan and his sons Brad and Andy. His hobbies include running, golf, and coaching youth basketball.

STEPHEN K. CONVER

EXPERIENCE

Professional Staff Member, House Armed Services Committee (1985-present)

o Principal staff advisor to Ranking Republican Bill Dickinson and other Republican Members of the HASC. Function as a Minority Staff Director on the bipartisan HASC staff.

o Responsible for advising Republican House Members on all defense policy, program, and acquisition matters under the jurisdiction of the Committee.

o Propose House Republican positions on key defense issues. Examples include: the veto of the FY 1989 Defense Authorization Bill, recommendations to the Packard Commission, and restructuring of the Army Aviation budget.

o Work closely with Department of Defense, White House, Republican Congressional leadership, Senate Armed Services, and Appropriations counterparts to develop effective Republican defense legislative action.

Deputy Assistant Secretary (Programs & Budget), U.S. Air Force (1981-1985). Served in a Career Senior Executive capacity as principal advisor to Secretary Verne Orr on development of the annual Air Force portion of the President's Budget and on the financial management aspects of all major Air Force acquisition programs.

U.S. Nuclear Regulatory Commission (1975-1981). Held several positions of increasing responsibility, including Chief of Analysis and Planning for the agency.

Commissioned Officer, U.S. Air Force (1966-1975). Served as an Operations Research Analyst, long-range planner, and Soviet weapons system analyst.

EDUCATION

o M.S., Operations Research, Ohio State University, 1970
o B.S., Basic Sciences, USAF Academy, 1966

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by Stephen K. Conver, in connection with his nomination follows:]

UNITED STATES SENATE

COMMITTEE ON ARMED SERVICES

Room SR-228

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearings and will also be published in any hearing record as well as made available to the public.

1. **Name:** (Include any former names used.)
Stephen Kay Conver.

2. **Position to which nominated:**
Assistant Secretary of the Army (Research, Development, and Acquisition).

3. **Date of nomination:**
November 21, 1989.

4. **Address:** (List current place of residence and office addresses.)
[Nominee responded and the information is contained in the committee's executive files.]

5. **Date and place of birth:**
December 11, 1944; Memphis, TN.

6. **Marital Status:** (Include maiden name of wife or husband's name.)
Married, Nan Peters Conver.

7. **Names and ages of children:**
Stephen Bradley Conver, age 21; Andrew Brooke Conver, age 17.

8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.

Walnut Hills H.S., September 1958 to June 1962, H.S. diploma, June 1962.

USAF Academy, June 1962 to June 1966, B.S. degree, June 25, 1966.

Ohio State University, May 1967 to June 1970, M.S. Operations Research, June 1970.

9. **Employment record:** List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.

1975–1981: Branch Chief, Operations Analyst, U.S. Nuclear Regulatory Commission, Washington, DC.

1981–1985: Deputy Assistant Secretary of the Air Force (Programs and Budget), Office of the Assistant Secretary for Financial Management, The Pentagon, Washington, DC.

1985–1989:Professional Staff Member, House Armed Services Committee, Washington, DC.

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

None.

11. **Business relationships:** List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

None.

12. **Memberships:** List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

Member, River Bend Golf & Country Club.
Member, Defense Breakfast Group.

13. **Political affiliations and activities:**

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

Worked on George Bush Presidential Campaign, 1988. Participated as a volunteer on the Defense Committee.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $100 or more for the past 5 years.

Contributed $1,000.00 to George Bush for President, 1988.

14. **Honors and Awards:** List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Air Force Commendation Medal.
Air Force Meritorious Service Medal.
Senior Executive Service Cash Award Bonus.
Outstanding Performance Ratings.
SES Candidate Development Program Selectee.

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

None published commercially. I have been an author or coauthor of numerous studies and reports under government sponsorship.

16. **Speeches:** Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

I have delivered a number of informal talks and speeches over the past several years, but none have been written down verbatim. As an example, I address a group of new general officer selectees each year and talk to them about the congressional defense budget review process.

17. **Selection:**

(a) Do you know why you were chosen for this nomination by the President?

My candidacy for this position was supported by several Members of the House of Representatives, based on my work on the Armed Services Committee.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

I have substantial defense experience in both the Department of Defense and on the House Armed Services Committee.

18. **Commitment to testify before Senate committees:** Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

Name: Stephen Kay Conver.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past 10 years have your or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employers, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either, individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

STEPHEN K. CONVER.

This 5th day of September, 1989.

[The nomination of Stephen K. Conver was reported to the Senate by Senator Sam Nunn on February 27, 1990, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on February 28, 1990.]

[Prepared questions submitted to William J. Haynes II by Senator Nunn prior to the hearing with answers supplied follow:]

Question (1). Should you be confirmed as General Counsel, what functions do you expect that Secretary Stone will prescribe for you?

Answer. If confirmed as General Counsel, I would expect Secretary Stone to prescribe my responsibilities substantially as currently provided in Army General Orders. These include:

a. supervising execution of the Secretary's policy concerning legal services in the Army;

b. determining the final position of the Army on any legal question or legal procedure;

c. providing professional guidance on any subject of law or legal procedure to all military and civilian attorneys of the Army;

d. acting as counsel to the Secretary, the Under Secretary, the Assistant Secretaries, and other officials of the Army Secretariat;

e. coordinating legal advice to all other members of headquarters, Department of the Army, regarding matters of interest to the Army Secretariat;

f. coordinating and providing professional guidance and general oversight with respect to representation of the Army and protection of its interest in litigation and in all other legal proceedings;

g. overseeing compliance with the Freedom of Information Act and the Privacy Act within the Army, including acting for the Secretary on appeals from denial of requests for information;

h. serving as the designated agency ethics official for the Army and, in that capacity, managing the Army's ethics program;

i. fulfilling the intelligence oversight requirements of applicable executive orders and other directives;

j. monitoring sensitive Army intelligence and criminal investigative activities for legality and propriety; and,

k. carrying out any other responsibilities assigned by the Secretary.

Question (2). The Senate Armed Services Committee has a deep and continuing interest in the complete and effective implementation of the Goldwater-Nichols Department of Defense Reorganization Act of 1986, the amendments to the Act relating to special operations forces and low intensity conflict, and the Packard Commission.

a. Are you fully committed to the complete and effective implementation of the Act, as amended, and the recommendations of the Packard Commission?

Answer. I am firmly committed to implementation of the Goldwater-Nichols Department of Defense Reorganization Act, as well as the principles outlined by the Packard Commission. I understand that the Office of the General Counsel played a major role in assisting the Secretary of the Army in implementing the Act and the Commission recommendations within the Army. If confirmed, I would expect the office to play a similar role for Secretary Stone in implementing the organizational improvements generated by Secretary Cheney's Defense Management Report of July 1989.

b. From the General Counsel's perspective, what are the central issues in implementation of the Goldwater-Nichols Department of Defense Reorganization Act that should receive frequent monitoring by the Army's community?

Answer. From the General Counsel's perspective, the key issue is ensuring full compliance with the Act. In this regard, all major organizational changes should be subject to legal review. I understand that has consistently been the case within the Army, and, if confirmed, I will insist that it be the case in the future.

c. What responsibilities will be assigned to the General Counsel in terms of implementing NSR-11 (the Defense Management Review)?

Answer. The Army General Counsel, in coordination with the Judge Advocate General, has been involved at almost every step of the Defense Management Report (DMR). I am advised that the Army's DMR implementing recommendations have received thorough legal review. If confirmed, I will see that the General Counsel's Office remains actively involved in the DMR process.

Question (3). If you are confirmed, what will be your top priorities as General Counsel in terms of substantive problems facing the Department of the Army?

Answer. My priorities will mirror the priorities of the Secretary of the Army in his efforts toward an efficient and effective Army. More specifically, integrity in the procurement process and a vital Army ethics program require constant vigilance by and commitment from the legal community, and will receive my personal attention. I hope to play a significant role in implementation of the DMR initiatives and other fundamental changes that may be required to fulfill the evolving responsibilities of the Department of the Army. Environmental and international issues are burgeoning, and I hope to focus Army legal resources accordingly.

Question (4). In the private sector, lawyers are increasingly involved in the concept of preventive law—working with the clients to identify and prevent illegal or questionable practices before serious problems arise. Based upon your experience in private practice and in Government service, what practices can the Department of the Army initiate to involve the Department's lawyers closely with the policy process in terms of providing such preventive law assistance?

Answer. A good lawyer is not only a proficient legal technician, but more importantly, a counselor to his or her client. A counselor should participate in his client's decisionmaking—anticipate the client's needs, aid the accomplishment of goals in a manner consistent with the law through problem identification and problem solving, and serve as the client's source of confidential, objective advice. This approach is most productive when it is applied throughout the process, and early in the process.

When institutional clients perceive the lawyer as an aid rather than an obstacle, his participation will be demanded at the earliest point and thereafter. If confirmed, I will seek to emphasize this approach among the Department's legal community by both example and exhortation.

Question (5). Although the "Ill Wind" investigation has not been completed, a great deal of information has been made public as a result of the cases prosecuted to date.

a. What lessons have been learned from the information that has been made public about the "Ill Wind" investigation?

Answer. The "Ill Wind" investigation has demonstrated, among other things, that rules alone are insufficient to prevent unscrupulous conduct. The rules must be known, understood, and followed by all those to whom they apply. The first two of these precepts depend upon adequate education; the latter relies upon people with integrity. Thus, the Department must seek to employ only those with the highest integrity, and ensure that they know and understand the applicable rules.

b. What procedures should the General Counsel take to assess the results of that investigation in terms of the Army's acquisition practices?

Answer. To my knowledge, the Army has not been involved directly in "Ill Wind". Nevertheless, the results of the investigation suggest measures that could improve Army acquisition practices. The major problems uncovered by the continuing investigation seem to be the unfair competitive advantage some contractors can gain through improper access to acquisition information. Together with the Assistant Secretary for Research, Development and Acquisition, the General Counsel should examine the Army's policies and procedures for the protection, control, and release of such information.

c. Do you anticipate any significant legislative or regulatory changes resulting from an assessment of the "Ill Wind" investigation? If so, please describe the areas of concern and the timetable for addressing such issues.

Answer. The "Ill Wind" investigation has already sparked legislative and regulatory changes, leading to the Procurement Integrity provisions which took effect in July but were suspended in December by the Ethics Reform Act. Because these provisions, as well as certain other ethics statutes, were suspended rather than repealed, it appears that some new legislation may be necessary before December 1990.

Question (6). Please describe your understanding of both the formal and informal relationships between the General Counsel and each of the following:

a. The General Counsel of the Department of Defense.

Answer. The General Counsel of the Department of Defense is the chief legal officer of the department. As such, his legal opinions are binding on all other legal officers of the Department, including the General Counsels of the Military Departments. A close working relationship between the DOD General Counsel and the General Counsels of the services is essential. If confirmed, I will do my best to promote a cooperative relationship with the DOD General Counsel.

b. The Judge Advocate General of the Army.

Answer. The Judge Advocate General of the Army is the principal legal advisor to the Chief of Staff and the Army staff. He is also the military legal advisor to the Secretary of the Army. In addition, the Uniform Code of Military Justice gives the Judge Advocate General many specific responsibilities in the administration of military justice. In all other matters, the Judge Advocate General is bound by the legal opinions of the Army General Counsel. Moreover, the General Counsel is responsible for oversight of all legal services in the Army, including those provided by the Judge Advocate General. I understand that there are extensive contacts between the General Counsel's office and that of the Judge Advocate General and that the relationship between the two offices is cordial and cooperative. If confirmed, I will strive to continue this working relationship.

c. The General Counsels of the Military Departments and the Defense Agencies.

Answer. It is my understanding that the General Counsels of the Military Departments and the Defense Agencies frequently share information and consult with each other on significant legal issues. Again, I would do my best to continue and improve upon the harmonious relationship that currently exists between these offices.

d. Chief Counsel of the Corps of Engineers.

Answer. The General Counsel exercises technical supervision over the Chief Counsel of the Corps of Engineers and provides input into that official's evaluation. The Chief Counsel of the Corps of Engineers is the principal legal advisor to the Chief of Engineers. The Army General Counsel is the principal legal advisor to the Army Secretariat, including the Assistant Secretary of the Army (Civil Works) and the Assistant Secretary of the Army (Installations, Logistics, and Environment). Many issues pass from the Corps of Engineers to these Assistant Secretaries, and vice versa. Consequently, close cooperation and coordination between the General Counsel and the Chief Counsel are essential. In case of disagreement, however, the position of the General Counsel is controlling. I understand that the working relationship between the two offices has been cordial and cooperative. If confirmed, I would do my best both to promote that amicable relationship and to exercise appropriate oversight.

e. The Legal Advisor to the Chairman of the Joint Chiefs of Staff.

Answer. I am advised that formal contacts between the Army General Counsel and the Legal Advisor to the Chairman of the Joint Chiefs of Staff are very limited, though the incumbent Legal Advisor is an Army Judge Advocate and maintains informal contacts with the Office of the Army General Counsel.

Question (7). Are any changes needed in the relationships described in your response to the previous question?

Answer. If confirmed, I will work to ensure harmonious relationships among the Department's legal officers.

Question (8). If confirmed, will you be the final legal authority on all legal matters within the Department of the Army? If not, please describe the matters on which you will not be the final legal authority and for each such matter specify the official who will act as the final legal authority.

Answer. Directives promulgated by the Secretary of the Army make it clear that the General Counsel is the final legal authority on all legal matters within the Department of the Army. I do not expect that to change. However, I recognize that the Uniform Code of Military Justice gives specific responsibilities to the Judge Advocate General in which his decision is final.

Question (9). How will you assure that authoritative opinions issued by final legal authorities are made available to lawyers in the various components of the Department of the Army?

Answer. When time is of essence, probably the most effective vehicle would be a memorandum directly from the Army General Counsel to the heads of the three legal communities in the Army: the Judge Advocate General, the Command Counsel of Army Materiel Command, and the Chief Counsel of the Corps of Engineers. Each of these has an efficient system for getting information to subordinate attorneys quickly. For matters that are less time-sensitive, there are other publications (such as The Army Lawyer and the Military Law Review) and periodic conferences at which authoritative opinions can be made available. The Office of the Army General Counsel already publishes bulletins in the areas of acquisition and government ethics which appear to be excellent media for disseminating important opinions. Another useful mechanism would be periodic meetings between the General Counsel and the senior Army lawyers to disseminate guidance and resolve issues.

Question (11). What is your understanding of the action that a Department of the Army attorney should take if the attorney becomes aware of improper activities by a client and the client is unwilling to follow the attorney's advice? Are there formal departmental procedures that guide the attorney in addressing such a situation?

Answer. If a client is unwilling to follow an attorney's advice to avoid improper activities, the matter should be brought to the attention of that client's superiors, normally through legal channels to bring it to the attention of the attorney serving the client's superior. If the matter is not corrected at the first level of supervision, it should be elevated as high as necessary to ensure a proper resolution. In certain areas, there are formal requirements to report a violation if one has taken place (e.g., questionable intelligence activities). In addition, Rule 1.13(b) of the American Bar Association's Model Rules of Professional Responsibility provides guidance along the lines discussed above.

Question (12). What steps should the General Counsel take to ensure that the position taken by the Army components before judicial and administrative tribunals on the interpretation or validity of statutes and rules is consistent with the views of the Secretary of the Army and the Secretary of Defense?

Answer. The Army General Counsel also should maintain a close liaison with the DOD General Counsel and other DOD components regarding matters that may have a significant effect on DOD or those components. I understand that the DOD General Counsel already has specific procedures in place regarding coordination on litigation matters affecting more than one component.

Question (13). What is the role of the General Counsel with respect to investigations of alleged misconduct by civilian and military personnel in the Army? Does the General Counsel have any specific functions with respect to allegations of misconduct by senior officials?

Answer. The Army, through the Office of The Inspector General and the Criminal Investigation Command, has in place a process for investigating allegations of misconduct by Army personnel. The General Counsel's office maintains close liaison with both of these organizations in keeping with the General Counsel's responsibility for monitoring sensitive investigative activities for legality and propriety. I understand that all investigations of interest to officials in the Army Secretariat are coordinated with the General Counsel's office. This includes investigations of allegations of misconduct by senior officials. In such cases, I am told that the General Counsel's office seeks to ensure that every allegation has been investigated thoroughly and impartially, that all conclusions are properly supported by the evidence, that any action recommended is both legal and appropriate, and that the results of the investigation are properly reported in prescribed channels.

Question (14). What is the role of the General Counsel with respect to establishment, conduct, and review of the activities of selection boards?

Answer. I am informed that the General Counsel's involvement in issues relating to selection boards has been limited to pre-board legal and policy issues and post-board review. First, the General Counsel is involved in the formulation of significant new policies affecting the board process. Second, the General Counsel's office assists in conducting the post-board review of the selection process to ensure the recommended board results comply with law, Defense Department policy, and the Secretary of the Army's written guidance to the board members. Third, the office reviews any potential adverse information on general officer nominees to ensure that information is accurately and fairly reported in compliance with the customs of the Senate Armed Services Committee and the Defense Department. Finally, as requested by the Secretary of the Army or the Assistant Secretary of the Army (Manpower and Reserve Affairs), the General Counsel provides advice on specific issues or problem areas that may arise in the general context of the board process.

[The nomination reference of William J. Haynes II follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
November 21, 1989.

Ordered, That the following nomination be referred to the Committee on Armed Services:

William James Haynes II, of North Carolina, to be General Counsel of the Department of the Army. (New position - Public Law 100-456)

[The biographical sketch of William J. Haynes II, which was transmitted to the committee at the time the nomination was referred, follows:]

BIOGRAPHICAL SKETCH OF WILLIAM J. HAYNES II

WILLIAM JAMES HAYNES II

EMPLOYMENT EXPERIENCE

COUNSEL, DEPARTMENT OF DEFENSE TRANSITION, Office of the Secretary of Defense -- (January to April 1989). Advised Presidential nominee for Deputy Secretary, Hon. Donald J. Atwood, and others, on variety of legal issues arising during the transition and the confirmation process.

ASSISTANT TO THE GENERAL COUNSEL OF THE ARMY -- (October 1984 to January 1989). Advised members of the Army Secretariat on contract, international, and fiscal matters. In early years, focused on real property and environmental law. Negotiated various international and interagency agreements.

COUNSEL AND RECORDER, ARMY CONTRACT ADJUSTMENT BOARD -- (August 1985 to August 1988). Advised, and drafted decisions for, the board empowered to exercise authority conferred by Pub. L. No. 85-804 ("Extraordinary Contractual Relief").

LAW CLERK TO HON. JAMES B. McMILLAN, U.S. DISTRICT JUDGE, Western District of North Carolina -- (August 1983 to August 1984).

SUMMER ASSOCIATE, MOORE & VAN ALLEN, Charlotte, NC -- (Summers, 1981 and 1983).

SUMMER ASSOCIATE, ALSTON, MILLER & GAINES (now Alston & Bird), Atlanta, GA -- (Summer, 1982).

HARVARD LEGAL AID BUREAU -- (September 1981 to May 1982).

OFFICE OF CONGRESSMAN JAMES G. MARTIN (R-N.C.) -- (August 1980).

EDUCATION

HARVARD LAW SCHOOL J.D., 1983	Cambridge, MA
DAVIDSON COLLEGE B.A., 1980 Phi Beta Kappa Army R.O.T.C. Scholarship	Davidson, NC

PROFESSIONAL

Licensed in North Carolina

Member, American Bar Association

PERSONAL

Married to Margaret Campbell Haynes
Two children: Will, age 2, Sarah, age 6 months

United States Army officer

Active duty (1984-1989)

Meritorious Service Medal (1987) for serving as legal member on team which negotiated 8-nation NATO cooperative research and development agreement

Meritorious Service Medal (oak leaf cluster) (1989) for service in the Office of the Army General Counsel

Inactive reserve (1980-1984; present)

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by William J. Haynes II, in connection with his nomination follows:]

UNITED STATES SENATE

COMMITTEE ON ARMED SERVICES

Room SR-228

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearings and will also be published in any hearing record as well as made available to the public.

1. **Name:** (Include any former names used.)
William James Haynes II (Jim).

2. **Position to which nominated:**
General Counsel, Department of the Army.

3. **Date of nomination:**
November 21, 1989.

4. **Address:** (List current place of residence and office addresses.)
[Nominee responded and the information is contained in the committee's executive files.]

5. **Date and place of birth:**
March 30, 1958; Waco, TX.

6. **Marital Status:** (Include maiden name of wife or husband's name.)
Married, Margaret Frances Campbell Haynes.

7. **Names and ages of children:**
William James Haynes III, 3 years; Sarah Insley Haynes, 1 year.

8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.
Davidson College, 1976-198, B.A. 1980.
Harvard University, 1980-1983, J.D. 1983.

9. **Employment record:** List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.

11/89 to present: Special Assistant to the DOD General Counsel, Office of the Secretary of Defense, Washington, DC. 20301.

4/89 to 11/89: Associate Attorney, Sutherland, Asbill & Brennan,1275 Pennsylvania Avenue NW, Washington, DC 20004. (202) 383-0100.

1/89 to 4/89: Office of Secretary of Defense, Attorney Advisor, The Pentagon, Washington, DC. 20301. (202) 695-0028.

9/84 to 1/89: Assistant to the General Counsel, Department of the Army, The Pentagon, Washington, DC. 20310. (202) 697-5120.

8/83 to 8/84: Law Clerk for The Honorable James B. McMillan, U.S. District Judge, 401 West Trade Street, Charlotte, NC 28202. (704) 371-6106.

6/83 to 8/83: Law Clerk, Moore & Van Allen, 3000 NCNB Plaza, Charlotte, NC 28280. (704) 331-1000.

7/82 to 8/82: Law Clerk, Alston, Miller & Gaines (now Alston & Bird), 1201 West Peachtree Street NE (current address), Atlanta, GA 30309. (404) 881-7000.

6/82 to 7/82: Law Clerk, Petree, Stockton, Robinson, Vaughn, Glaze & Maready, 1001 West Fourth Street, Winston Salem, NC 27102. (919) 725-2351.

9/81 to 5/82: Legal Services Member, Gannett House/Harvard Law School, Massachusetts Avenue, Cambridge, MA 02138. (617) 495-3100.

6/81 to 8/81: Law Clerk, Moore & Van Allen, 3000 NCNB Plaza, Charlotte, NC 28280. (704) 331-1000.

8/80: Congressional Intern for The Honorable James G. Martin, U.S. House of Representatives, Washington, DC. 20510.

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

None.

11. **Business relationships:** List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

None.

12. **Memberships:** List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

8/89 to present: American Bar Association.
9/83 to present: North Carolina State Bar.
1988 to present: Army Navy Club.

13. **Political affiliations and activities:**

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

None.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $100 or more for the past 5 years.

Karl B. Brooks, State Legislature, Idaho, $100 (1988).

14. **Honors and Awards:** List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Meritorious Service Medal, 11/87 for services as legal member on delegation negotiating and concluding an eight-nation cooperative research and development agreement.

Meritorious Service Medal (oak leaf cluster), 1/89 for service as an Assistant to the Army General Counsel.

Phi Beta Kappa, 1980 (Davidson College).
Omicron Delta Kappa (Leadership honorary), 1980 (Davidson College).
Lunsford Richardson Honor Scholarship, 1976-1980 (Davidson College).

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

1985: Weekly, unattributed contributions to the Federal Contract Reporter, Bureau of National Affairs.

16. **Speeches:** Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

None.

17. **Selection:**

(a) Do you know why you were chosen for this nomination by the President?

I believe I was nominated for this position principally because of recommendations from leaders within the Department of Defense and the Department of the Army with whom I have worked.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

My legal experience has been concentrated in areas that will be helpful to me in serving as the General Counsel. My education at Davidson College and Harvard Law School instilled in me both a zeal for problem-solving and a tendency to be skeptical which are so important for a legal counselor. Most of my life has been characterized by an association with the military: I grew up in an Air Force family, attended college as an ROTC Cadet, and served as an Army officer. This long exposure has caused me to be especially committed to the military institutions serving our country.

18. **Commitment to testify before Senate committees:** Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

Instructions to the Nominee: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

Name: William J. Haynes II.

Part B—Future Employment Relationships

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

Part C—Potential Conflicts of Interest

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or

acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past 10 years have your or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employers, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either, individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

WILLIAM J. HAYNES II.

This 28th day of November, 1989.

[The nomination of William J. Haynes II was reported to the Senate by Senator Sam Nunn on February 27, 1990, with the rec-

ommendation that the nomination be confirmed. The nomination was confirmed by the Senate on February 28, 1990.]

[Prepared questions submitted to Enrique Mendez, Jr., by Senator Nunn prior to the hearing with answers supplied follow:]

JANUARY 25, 1990.

Hon. SAM NUNN,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am pleased to respond to your questions regarding my nomination as Assistant Secretary of Defense for Health Affairs.

Thank you for the opportunity to share with you my views on the military health care system prior to my confirmation hearing. In the 6 years I have spent in the civilian sector since my departure from the Army, my perspective on the role and importance of military medicine has broadened. I believe that the military health care system has an important opportunity for leadership, not only in serving its beneficiaries, but also in contributing to the development of new standards for management and delivery of health care services in civilian medicine.

I look forward to discussing these issues in greater detail with you in the future. Please contact me if I can be of further assistance.

Sincerely,

ENRIQUE MENDEZ, JR., M.D.

Question (1). Should you be confirmed as Assistant Secretary of Defense for Health Affairs, what would you view as your principal responsibilities to the Secretary of Defense?

Answer. My principal duty would be to serve as primary assistant and advisor to the Secretary of Defense for health policies, programs and activities. First among these is medical readiness for war, terrorist attack or national disaster. Of equal importance is the day to day operation of the military health care system, serving 9.2 million beneficiaries worldwide.

As Assistant Secretary of Defense for Health Affairs, my primary obligation would be to ensure the health of the fighting force. I would ensure that resources for both wartime and peacetime missions are adequate and justified. I would direct the fiscal and management practices of the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) and continue to seek improvements in that program. I would conduct studies and analyses to assess the efficiency and quality of health care services and of contingency planning.

I would forward recommendations for changes in policy and program directly to the Secretary and Deputy Secretary of Defense, as well as exercise the power of the Office of the Assistant Secretary of Defense for Health Affairs to make changes and improvements when necessary to achieve the Department's objectives of uniform and cost effective health care delivery.

Question (2). The Assistant Secretaries of Defense for Force Management and Personnel and for Reserve Affairs are assigned responsibilities which directly affect the management and control of Active and Reserve health care manpower.

a. What will be your relationship to these officials?

b. Will the Assistant Secretary of Defense for Health Affairs have overall responsibility for Total Force medical manpower requirements and personnel policy?

Answer. a. If confirmed as Assistant Secretary of Defense for Health Affairs, I would work to ensure a close and productive relationship with my counterparts in Force Management and Personnel and Reserve Affairs. The three offices share a common concern in a number of issues such as policy on HIV and drug abuse testing, and enrollment and eligibility for benefits.

One of the most important mutual concerns is medical manpower. The Assistant Secretary of Defense for Health Affairs, along with the Assistant Secretary of Defense for Force Management and Personnel, has responsibility for medical manpower. In view of the importance of this issue to the Department, it is critical that the Assistant Secretary for Health Affairs coordinate closely and exchange information freely and frequently with the Assistant Secretary of Defense for Force Management and Personnel, and also the Assistant Secretary of Defense for Reserve Affairs, who has an important interest in Reserve medical manpower.

b. The Secretary of Defense will be reviewing the assignment of missions among the Active and Reserve components as the Total Force Policy Study Group proceeds to carry out its statutory mandate. I would serve in an advisory role on the military medical mission and policy. If confirmed, I will be the Secretary's principal advisor on all DOD health policies, programs and activities.

Question (3). What will your relationship be to the Assistant Secretaries for Manpower and Reserve Affairs in the military departments, the Surgeons General in the military services, and the Office of the Joint Chiefs of Staff?

Answer. If confirmed as the Assistant Secretary of Defense for Health Affairs, I would chair the Defense Health Council and use it as a forum for discussion of critical medical issues facing the Department. The Council is comprised of the Surgeons General of the Military Departments, a representative of the Joint Staff, and a representative of the Uniformed Services University of the Health Sciences. Official communication from my office to the Military Departments and their Surgeons General would be addressed to the Assistant Secretaries for Manpower and Reserve Affairs (M&RA) in each service. I would seek a close working relationship with the Assistant Secretaries (M&RA) in the Services, the Surgeons General and the Joint Staff.

When policy decisions related to health care need to be made, I would actively seek the views of the services and the Joint Staff where appropriate. As Assistant Secretary of Defense for Health Affairs, I would ultimately be responsible for advising the Secretary on all DOD health policies, programs and activities; for supervision of DOD health affairs; and for oversight of all DOD health resources.

Question (4). What do you consider to be the most serious problems in the management of DOD health care, how do you intend to deal with these problems, and what time tables would you establish for each?

Answer. A very serious problem facing the Department of Defense in the medical area is the commitment to serve a beneficiary population growing in age, number, and demand for services, in the face of constrained resources. Maximizing the capacity of the military treatment facilities can be accomplished by increasing support staff, retaining health care providers, and entering into agreements with the civilian community. These are efforts that I would endorse and seek to improve, within available resources.

A second problem area is medical manpower. Retention of personnel in the specialties needed for war in both the Active and Reserve components is crucial to the ability of the Armed Forces to meet their medical missions. It is a serious problem today. As Assistant Secretary of Defense for Health Affairs, I would work to address all factors, from pay to support personnel, which could impact the recruitment and retention of medical personnel.

Certain problems which the military health care system faces are not unique to the Department of Defense. The civilian medical community is in a state of flux. Improving technologies, newly identified illnesses, and discoveries of new treatment methodologies contribute to an ever changing environment. They also contribute to escalating costs. Because the Department must use the civilian medical community to supplement care in military treatment facilities, it must also address issues of cost and quality in using the civilian medical community, just as the Department is concerned with the cost and quality of care in its own facilities. By working to better identify the cost of providing care, to better predict the demand for care and to understand our requirements for staffing, the Department can start to make more informed decisions on the most efficient ways to provide care.

Question (5). Please comment on any salient analyses or reports you prepared while serving as the Deputy Surgeon General of the Army on health care issues and describe the effect these analyses or reports had on changing or formulating health care policies within the Department of the Army.

Answer. As Deputy Surgeon General of the Army I directed the Army Medical Department's program to correct the serious shortage of medical personnel that occurred following termination of the draft in 1973. Among the actions that I initiated and supervised were the institution of Variable Special Pay for physicians and expansion of graduate medical education opportunities. Both were very successful in improving retention of medical officers for the Army.

As Deputy Surgeon General I directed improvements in recruitment for the Reserve components which resulted in significant improvements in medical readiness. Specifically, we established a network of dedicated recruiters, cut waiting time and red tape for commissioning, and improved the assignment process and training programs.

To address the burgeoning requirements of the day-to-day health care delivery system, a program of contracts with civilian providers was initiated. A precedent-setting effort at the time, this resulted in the Army's first large scale contracts for care to supplement the shortage of Active duty physicians and other personnel.

I strongly encouraged entering into a tri-service cooperative effort for the testing and evaluation of commercial items of equipment having potential use by the Military Medical Services. This successful effort identified the best patient care methodologies and equipment in use by each Service. This endeavor led to the Uniform Staffing Methodology, the Uniform Chart of Accounts, and other cooperative efforts among the services.

In an effort to enhance medical readiness we undertook the "JCS Medical Readiness Capabilities Study." This study addressed wartime manpower, organization, and equipment requirements in detail for the Army Medical Department.

We sponsored a study of "Theater of Operations Medical Support System (TOMSS)" to incorporate the lessons learned from the Middle Eastern and Vietnam conflicts with the latest developments in equipment, tactical concepts and computer modeling. The result was an entirely revised battlefield medical support doctrine and organizational concept. Our studies on the "Medical Aspects of Chemical Defense" updated critical medical treatment techniques, medications, and equipment. These were important enhancements in our ability to perform our primary mission of providing medical support on the battlefield.

Question (6). The Senate Armed Services Committee has a deep and continuing interest in the complete and effective implementation of the Goldwater-Nichols Department of Defense Reorganization Act of 1986; the amendments to the Act relating to special operations forces and low intensity conflict; and the recommendations of the Packard Commission.

a. Are you fully committed to the complete and effective implementation of the Act as amended and the recommendations of the Packard Commission?

b. What are the specific responsibilities of the Office of the Assistant Secretary of Defense for Health Affairs for implementing the Act as amended and the recommendations of the Packard Commission?

Answer. a. I am fully committed to executing the Department's medical program in accordance with the law. In as much as many of the recommendations of the Packard Commission are embodied in the Goldwater-Nichols reorganization legislation, I would support the Secretary of Defense in his efforts to implement these Acts.

b. The principles of the Packard Commission Report emphasize streamlining the Department, eliminating unnecessary management layers and emphasizing efficient operations. If confirmed, I intend to ensure that the Department's health resources are used with maximum efficiency to provide Active and retired military personnel and their families the high quality medical care they deserve and to ensure medical readiness.

Question (7). What responsibilities will be assigned to the Office of the Assistant Secretary of Defense for Health Affairs with regard to implementing the Defense Management Review?

Answer. Secretary Cheney's July 1989 Defense Management Report to the president sets forth the Administration's plan to implement fully the Packard Commission's recommendations, to improve substantially the performance of the Defense Acquisition System, and to manage more effectively the Department of Defense and our defense resources. The principles of efficiency that the Report embodies apply to DOD health affairs as they do to the Department's other activities. If confirmed, I plan to emphasize efforts to streamline management of DOD health functions, while ensuring high quality health care for the community the Department of Defense health system serves.

Question (8). As Assistant Secretary of Defense for Health Affairs, you will have a major role as a senior manager and leader in the Department of Defense. How would you assess your management and leadership skills for this position?

Answer. I bring to this position many years of experience in directing complex medical programs. I have served as the Secretary of Health for the Commonwealth of Puerto Rico, director of a major hospital in Puerto Rico, President and Dean of a medical school, Deputy Surgeon General of the United States Army and Commanding General of the Walter Reed Army Medical Center.

My experience in every aspect of medicine, from clinical practice to teaching and administration, convinces me that leadership is critical to the execution of the task of the Assistant Secretary of Defense for Health Affairs. During the disastrous aftermath of Hurricane Hugo, I proved my ability to marshal forces effectively to respond to a disaster of significant proportions. As Deputy Surgeon General of the Army, I proved my ability to execute with precision the programs of the Secretary of the Army and Chief of Staff. As Commander of Walter Reed Army Medical Center, I applied my leadership skills effectively over the world's premier military medical center.

I am honored to be the President's nominee for the position of Assistant Secretary of Defense for Health Affairs, and pledge to bring my total abilities to this task if confirmed by the Senate.

Question (9). One of the most serious personnel problems affecting the combat readiness of our forces in wartime is the shortage of medical personnel in our Reserve forces.

a. Do you view this problem as one that you would have primary responsibility for solving if confirmed?

b. How would you assess our current capability to meet the medical requirements in the first 2 months of a major international conflict?

c. What are the roles of the Assistant Secretary of Defense for Force Management and Personnel and the Assistant Secretary of Defense for Reserve Affairs in this regard?

Answer. a. As Assistant Secretary for Health Affairs, I would have primary responsibility for addressing the shortages of medical personnel in our Reserve forces. I would exercise oversight of all DOD health resources, including Reserve health personnel. Appropriate personnel management policies and practices for recruiting, retaining, training, and managing Reserve health personnel should be developed by the Assistant Secretary for Health Affairs, in cooperation with the Assistant Secretary for Reserve Affairs and the Assistant Secretary for Force Management and Personnel.

b. I am certain that recent world events will require reevaluation of wartime requirements. I believe that DOD has made substantial progress in improving both procurement of wartime equipment and critically needed wartime personnel. As Assistant Secretary I would build on these accomplishments and seek to make even greater progress toward achieving the Department's goal of optimal medical readiness.

c. Decisions on medical manpower Department-wide are made within the overall personnel and force management responsibilities of the Assistant Secretary of Defense for Force Management and Personnel. The special responsibilities for Reserve forces, including Reserve health personnel matters, are those of the Assistant Secretary of Defense for Reserve Affairs. If confirmed, I will work closely with both these assistant secretaries to address military medical manpower needs.

Question (10). The health care benefit is viewed by military personnel and their families as an essential part of their total compensation package.

a. Would you please outline your philosophy on the Government's commitment to provide this benefit to military personnel (Active and Reserve), eligible dependents, and retired military personnel in terms of their access to cost free medical care?

b. Do you believe that eligible dependent and retiree beneficiaries understand the cost-share basis of their entitlement to medical care?

c. In your view, does the Assistant Secretary of Defense for Health Affairs have policy responsibility for this facet of the health care mission in the Department of Defense?

d. Would you please outline explicitly your understanding of the current chain of responsibility for this mission in the Department of Defense?

. What improvements, if any, would you make in this area if confirmed?

Answer. a. The Nation's commitment, first and foremost, is to the men and women of the Armed Forces, wherever they may be. The Department must be committed to providing emergency and life saving care in contingency and deployment situations where only uniformed and specially trained military professionals can provide it.

With respect to meeting our national commitment to providing medical care to Active and retired personnel and their dependents in the United States, my philosophy is that such care should first be obtained through the direct care system. If this is not possible, alternative arrangements, such as standard CHAMPUS, should be pursued if they can assure the same high quality and cost effective care that would be available in a military treatment facility.

b. The Military Departments and the Office of the Assistant Secretary for Health Affairs must continually interpret for eligible beneficiaries the benefits which are available to them. As alternatives to CHAMPUS proliferate, and as military treatment facility commanders assume a greater role in managing health care at the local level, defining where and under what conditions care will be available will become an increasingly complex task. Many beneficiaries do not understand the cost-share aspects of their medical care entitlement.

c. Congress establishes eligibility for those entitled to DOD provided health care and the scope of medical and dental benefits to be provided. The responsibility of the Office of Health Affairs is to define necessary resourcing levels and to ensure that both peacetime and wartime responsibilities can be met in the most cost effective manner.

d. Management of the medical programs of the Armed Forces is a shared responsibility of the Military Departments and the Assistant Secretary of Defense for Health Affairs. Day-to-day operations of military hospitals and clinics, including assignment of medical personnel, are the responsibility of the Army, Navy and Air Force. However, overall operations are governed by the Assistant Secretary of Defense for Health Affairs, who is the chief medical advisor to the Secretary of Defense and is responsible for all medical policies and programs of the Armed Forces. These include both peacetime and wartime missions. In addition, the Assistant Secretary is directly responsible for operation of the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) and other medical support programs attached to the office of the Secretary of Defense. These include the Defense Medical Facilities Office, and the Defense Medical Systems Support Center.

e. If in the course of my examination of the health policies and programs of the Department of Defense I identify organizational barriers to improvements, I will bring recommendations for change in the current chain of responsibility to the attention of the Secretary and Deputy Secretary for their consideration as part of their ongoing review of Defense management.

Question (11). The Defense Resource Management Study, issued in February 1979, documented serious shortcomings in the provision and management of health care in the Department of Defense.

a. How would you evaluate the efforts of the Department of Defense in correcting the problems identified in the study 10 years later?

b. Do you believe that the inadequacy of accurate data with regard to beneficiaries and providers has been solved?

c. In your view, why has the Department of Defense failed to implement an enrollment system as recommended in the study and subsequently mandated by law? What will you do to correct this particular problem?

Answer. a. I believe that during the decade since the issuance of the Defense Resource Management Study, known as the Rice report, the Department has been successful in implementing some of its recommendations. For example, establishment of the National Disaster Medical System links thousands of civilian hospital beds to the Department of Defense for use in time of war. Additionally, I assume that recent improvements in medical readiness have occurred as a result of greater involvement by the Office of the Secretary of Defense in the medical resource allocation process, as the Report recommended.

As Assistant Secretary of Defense for Health Affairs, I would review the recommendations contained in the Rice report. I fully support the need for improved consistency in planning, and a strong role for the Office of the Secretary in medical resource allocation.

In the area of benefits policy, many of the recommendations of the Rice report have been addressed. A catastrophic cap, dependent dental plan, implementation of a health care finder function, and provision of authority for local hospital commanders to enter into delivery agreements all have an impact on the benefit program. Other recommendations, such as implementation of a user fee, have been legislatively prohibited.

I plan to carefully review the features of managed care initiatives being explored by the Department and their potential impact on the benefit program. I will certainly keep the recommendations of the Rice report in mind during that review.

b. The Department has made substantial progress in resolving the issue of data accuracy with regard to beneficiaries and providers within the Military Health Services System. Through ongoing cooperative efforts by Force Management and Personnel and Health Affairs, much has been accomplished to facilitate commonality and uniformity in medically related manpower information. These efforts have addressed the critical link between standard information systems and providing quality health care in the management of the Military Health Services System.

The DOD Corporate Information Management program has been established to improve the standardization, quality and consistency of data throughout the DOD. It is critical that the Office of the Assistant Secretary of Defense for Health Affairs and the Military Departments work closely with that effort to ensure that policies governing medical data are consistent. Health Affairs must review manpower and personnel data requirements, in coordination with other Defense elements and the services. If confirmed, I plan to follow progress in this area closely.

c. In my view, the Department has struggled to balance the potential benefits of enrollment from a health care management perspective with the perceived erosion of benefits from the beneficiary's perspective. For example, if enrolled in the direct care system, a beneficiary would receive free care. Should a beneficiary be required to enroll in standard CHAMPUS, a substantial cost to the beneficiary could be imposed.

Testing is under way of a variety of approaches to enrollment through programs such as the CHAMPUS Reform Initiative, Catchment Area Management, and the Comprehensive Health Care Management project. To date these programs have included a voluntary enrollment feature. Directed enrollment has not occurred.

I plan to closely examine the demonstration projects currently underway to determine the most appropriate approach.

Question (12). In February, 1983, Dr. (Col.) Robert L. Watson, former chief of Anesthesiology at Walter Reed Army Medical Center, Consultant of Anesthesiology to the Army Surgeon General, and Chairman for Anesthesiology at the Uniformed Services university of Health Sciences, pled guilty in U.S. District Court in Washington, D.C., to two counts of supplementation of income in return for a Government agreement to drop seven other counts. In April, 1983, Dr. Watson was sentenced to 5 years probation and a $5,000 fine.

Please summarize for the committee your knowledge of and involvement in this case both in your role as Deputy Surgeon General of the Army and subsequently, as Commander of Walter Reed Army Medical Center.

Answer. My knowledge of this case as Deputy Surgeon General consisted of having attended a briefing given to the Surgeon General and myself in late summer in 1981 that addressed the fact that an investigation of Dr. Robert Watson was underway by members of the Federal Bureau of Investigation. While I was still Deputy Surgeon General and prior to my assignment as Commander, Walter Reed Army Medical Center, General Mittemeyer briefed me as to the nature of the case, the referral of the case to the Army Criminal Investigations Division for investigation, and the subsequent investigational responsibility shift to the Federal Bureau of Investigations.

As the Commander of Walter Reed Army Medical Center, I was involved in the case particularly in 1983, specifically between April and June. I had several briefings by our Staff Judge Advocate, LTC Finnegan, on the case and by Army Criminal Investigations Division personnel to the effect of offenses referred to them for investigation. I personally reviewed the charges and the evidence available on this case with LTC Finnegan and charges were subsequently preferred by the Staff Judge Advocate. I relieved Colonel Watson from his position as Chief of the Anesthesia and Operative Service at Walter Reed and participated in the writing of a "relief for cause" efficiency report on him. I ordered the Article 32, Pretrial Investigation.

Question (13). Although Dr. (Col.) Watson was convicted in Federal Court in February, 1983, he was not removed from his three positions until May, 1983.

You were the Commander of the Walter Reed Army Medical Center in 1983.

a. Why did it take the Army so long to remove Dr. (Col.) Watson from his positions following his conviction in Federal Court?

b. Was Dr. (Col.) Watson relieved of his duties as a result of the Army's own determination or because of direction from the Office of the Secretary of Defense?

Answer. a. My awareness of the conviction did not come about until the end of March of 1983 and was brought to my attention as a result of a newspaper article that referred to his sentencing as a result of conviction in the Federal Court. During the course of the pretrial investigation, I sought additional information pertaining to the status of the Federal case and was informed that Grand Jury information should not be disclosed to me.

Although the FBI investigation resulted in conviction, the Army Criminal Investigations Division was continuing the investigation of other charges. It was felt that to take final action prior to the completion of that portion of the investigation would have been premature. The results of that investigation were obtained subsequent to mid-May of 1983. Dr. Watson was relieved by me on the 25th of May of 1983. He was also relieved by the Surgeon General of the Army as consultant in anesthesiology at about the same time.

b. It was my understanding that there was interest in this case in the Office of Health Affairs at the Department of Defense. My actions to relieve Dr. Watson would have occurred anyway as the investigation results were in and indeed charges were preferred in early June. My decision to relieve him was based on the investigation material provided to me.

Question (14). In reviewing the allegation that senior Army officials failed to take timely and appropriate action concerning allegations made against Dr. (Col.) Watson by junior physicians at Walter Reed Army Medical Center, the Army Inspector General concluded:

"The investigating officers believed that the WRAMC chain of command neglected their most important concern—patient care—and instead pointed their efforts to proving what they believed to be the innocence of Dr. Watson. Finally, the investigating officers believed that even though Generals Mittemeyer, Strevey, Major and to a lesser extent, Mendez, had the reponsibility to take positive action, a lack of command and administration experience was a factor in that action not being taken."

The Inspector General also concluded:

"Primary responsibility for not taking appropriate action was assigned to LTG Mittemeyer, BG Major, and MG Strevey, who occupied the primary positions of responsibility at WRAMC in July 1981. The investigation officers also faulted MG (Ret.) Mendez, who succeeded LTG Mittemeyer in command, but to a lesser degree than the others."

Do you have any comment on these conclusions by the Army Inspector General?

Answer. Until receiving the committee's questions, I was unaware of the contents of the Inspector General's report which was issued after I retired. My comments are as follows:

This was the first time I had seen the conclusions that you point out in your question. I recall a telephone interview by an IG officer after I retired and was already in Puerto Rico.

In relation to my own role or time at Walter Reed Army Medical Center, I do not concur with the comment on patient care made in the first sentence of the first paragraph. The matters principally under investigation were not Dr. Watson's abilities or competence as an anesthesiologist.

In regard to the statement made by the investigating officers about positive action, timely action was taken by me as delineated in the answer to question 12. I am unable to comment with clarity on their feelings about lack of command and administrative experience or the conclusion about appropriate action, as I am unaware of their definition of such or the sequence of logic that led to the conclusion.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR SLADE GORTON

UNIFORMED SERVICES TREATMENT FACILITIES

Senator GORTON. The report language accompanying last year's Defense authorization bill directs DOD to develop a managed-care model for 10 former Public Health Service hospitals (called the USTFs), including the Pacific Medical center. The directive report language requires that the Department work "jointly and cooperatively" with the USTFs to develop this model. I am told, however, that DOD has already prepared a draft managed-care model without seeking the constructive input of the USTFs. The Pacific Medical center and other USTFs were given this model for the first time just last week and have been asked to simply "review and comment." Can you assure us, Dr. Mendez, that the USTFs will indeed have a meaningful opportunity to be involved "jointly and cooperatively" in the development of this managed-care model?

Dr. MENDEZ. The House Armed Services Committee, in its report on the Defense Authorization Act for fiscal year 1990, directed the Department of Defense to work jointly and cooperatively with the Uniformed Services Treatment Facilities [USTFs] to develop a managed health care delivery and reimbursement model for use in the USTFs. The committee intended that this model be used as the basis for deliberations and discussions when Congress reviews the status of the USTFs during the fiscal year 1991 Defense authorization cycle. The committee further directed the Department to submit a report to the Committees on Armed Services of the Senate and House of Representatives outlining the details of the managed care model. My office submitted an interim report to this committee and the House Armed Services committee on February 5, 1990 and we expect to submit the final report by April 15, 1990.

The Department has vigorously pursued development of a managed health care model which contains the two key elements recognized by the committees and the Department as being essential to its operation: capitation payments on a per enrollee basis and beneficiary enrollment. The model we are developing greatly resembles health maintenance organizations found across the country.

When my office received the direction to develop the managed care model, we initiated a process to develop a draft model that would meet the guidance from Congress; the requirements of the Department, services and our beneficiaries; and the needs of the USTFs. My office took the position that we should identify our requirements before meeting with the USTFs to discuss mutual issues and concerns. Accordingly, our process involves all of the Uniformed Services of the Departments of Defense, Transportation and Health and Human Services. The extensive dialogue has enabled us to identify and begin resolution of numerous issues that must be solved for this model to operate effectively.

We believe that internal governmental issues needed to be worked before involving the USTFs. Our process has worked well and a draft model has been completed, which we submitted to the USTFs. My staff and representatives from the services met with the USTFs on February 23, 1990, to review and discuss the draft model, identify issues and problems, and where appropriate, make changes to the model. This meeting was very productive for all the participants. Prior to the meeting, several of the USTFs provided comments concerning our draft model which were used as the basis for much of the discussion during the meeting. The USTFs are going to provide more comments within one week of the meeting on various issues. We will take those comments, suggestions and recommendations and incorporate them as appropriate. Where we do not concur with proposals from the USTFs, we will discuss them with the USTFs with the objective of resolving them. We anticipate that there may be a need to have one or more meetings with the USTFs before we submit the model to the Congress.

I assure you that we have given and will continue to give the Pacific Medical Center, and the other USTFs, meaningful opportunity to be involved in the development of this model.

Senator GORTON. As you may know, I have an abiding interest in the Pacific Medical Center, one of the Uniformed Services Treatment Facilities, which provides quality, cost-effective health care services to some 25,000 military personnel, retirees and other families in the Seattle area. I understand that your staff has been engaged over the past 3 months in discussions with Pacific Medical Center concerning reimbursement in the face of recent DOD USTF policy changes. In order to avoid disruption of services to my constituents and ensure that PMC is fairly compensated, it is imperative that these discussions conclude promptly to the mutual satisfaction of both the Department and PMC. Can you assure me, Dr. Mendez, that you and your staff can complete these discussions promptly and by a certain date?

Dr. MENDEZ. Early in 1988, the Department became aware through a patient complaint of the possibility that several of the Uniformed Services Treatment Facilities [USTFs] were billing Medicare for health care services provided to Uniformed Services beneficiaries who were authorized health care as "users" of the USTF. Billing two Federal programs for the same care is a significant issue for the Department because our beneficiaries receive health care at USTFs as an entitlement by virtue of their Uniformed Services status.

Title 10 U.S.C. prohibits facilities of the Uniformed Services, which include USTFs by definition, from billing Medicare for services they provide to our beneficiaries. Title 18 of the Social Security Act, the law that governs the Medicare program, also prohibits these billings. Further, the annual capitation payment the Department makes to each of the USTFs is designed and is sufficient to pay for all the care provided to beneficiary "users" for a calendar year, which means the USTF payment is supposed to be payment in full. Consequently, when facilities having USTF status are operating as a USTF, they may not bill Medicare for any health care services provided to our beneficiaries. After an extensive review of the matter, which included consideration of arguments submitted by those USTFs that had been billing Medicare and determinations reached by the Offices of Inspector General and Offices of General Counsel of both DOD and the Department of Health and Human Services [HHS], my office issued a clarifying amendment to the policies and procedures portion of the USTF participation agreements affirming that USTFs may not bill Medicare for services covered by the USTF agreements. Regarding past Medicare payments, the HHS Office of Inspector General and Health Care Financing Administration are expected to recoup the erroneous payments.

It is important to note that this clarifying amendment was not a new policy. Billing of the USTF program and Medicare has never been legally authorized. Pacific Medical Center knew or should have known this. The clarifying amendment was simply a necessary and proper response to the identification of apparent noncompliance with legal requirements by three of the USTFs. Thus, the suggestion from Pacific Medical Center officials that DOD increase payments to compensate for enforcement of the legal prohibition against this type of billing is not appropriate.

However, we have proceeded with good faith negotiations to determine if some different payment mechanism might be beneficial to both Pacific Medical Center and

DOD. At this point, we cannot provide any assurance that the parties will reach agreement on a new payment mechanism. However, I can provide assurance that Pacific Medical Center will continue to receive adequate payment from DOD, that we will continue to support compliance with legal requirements and that DOD will continue to negotiate in good faith.

QUESTION SUBMITTED BY SENATOR TRENT LOTT

COMPOSITE HEALTH CARE SYSTEM

Senator LOTT. The Department of Defense is in the process of testing the Composite Health Care System (CHCS) to improve the quality of care in service hospitals and constrain costs. This is to be accomplished by introducing a modern medical information system into clinics and hospitals of all sizes. There have been reports in the media of problems with the testing of this system including cost overruns.

Are you familiar with this project and if so, would you comment on its current status?

Dr. MENDEZ. The Composite Health Care System (CHCS) is a computer system which provides integrated, automated information support to military medical treatment facilities. The system is currently undergoing operational test and evaluation. A deployment decision is anticipated in October 1990.

I have traveled to Fort Knox to observe the system in an operational environment. I am familiar with CHCS and with recent reports in the media concerning problems with the testing of this system including cost overruns. Let me address the cost issue first. CHCS has experienced no real cost growth in the estimated life cycle cost. It is important to acknowledge the complexity of estimating costs, for example, some CHCS figures must be presented in fiscal year 1986 constant dollars, while other estimates are increased to account for future inflation rates. No source or cost definition is given for the figures used by the media, therefore it is impossible to determine what is actually being compared.

A second issue with which I am familiar is the schedule slippage of the operational test and evaluation (OT&E). The OT&E phase was scheduled to be complete in August of 1990. During the course of the OT&E phase, requirements have been continuously monitored and evaluated. Priorities have been reorganized because of lessons learned through operational experience with the system by health care providers. That is part of the purpose of the OT&E. In order to ensure adequate initial phase-in and experience with important system functions, the deployment decision date was rescheduled for October 1990. This extra time period will allow more extensive hands-on experience with the system and longer system maturation and stabilization. More measurable data will be collected for benefits assessment over this extended period. The greater level of user experience and additional data collection will allow for a better-informed deployment decision by the Department of Defense.

[The nomination reference of Enrique Mendez, Jr. follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
January 23, 1990.

Ordered, That the following nomination be referred to the Committee on Armed Services:

Enrique Mendez, Jr., of Puerto Rico, to be an Assistant Secretary of Defense, vice William E. Mayer, resigned.

[The biographical sketch of Enrique Mendez, Jr., which was transmitted to the committee at the time the nomination was referred, follows:]

BIOGRAPHICAL SKETCH OF ENRIQUE MENDEZ, JR.

CURRICULUM VITAE

Enrique Méndez, Jr., M.D., F.A.C.P.

Date of Birth : July 15, 1931

Place of Birth : Santurce, Puerto Rico

Wife : Olga M. Muñoz

Children : Olga, Enrique, Carmen, Margarita

Grandchildren : Michael, Francisco, María Cristina, Antonio, Carmen Teresa

Civilian Education:

University of Puerto Rico	B.S.	1951
Loyola University, Chicago	M.D.	1954
Mercy Hospital, Chicago	Rotating Intership	1955

Military Education:

Brooke General Hospital, Internal Medicine Residency	1960
Command and General Staff College	1967
Industrial College of the Armed Forces (Distinguished Graduate)	1973

Awards: Military

- Distinguished Service Medal
- Legion of Merit (One oak leaf cluster)
- Army Commendation Medal
- Expert Field Medical Badge
- Brazilian Order of Aeronautical Merit
- Order of Military Medical Merit
- Eagle Award, National Guard Bureau
- Meritorious Service Award, National Guard Bureau
- Aaron and Hur Award, Army Chaplain Corps

Awards: Civilian

Alumni Award, Loyola University

Laureate Award, American College of Physicians (Army Chapter)

Distinguished Service Award, Federal Health Care Executives Institute Alumni Association

Knight, Order of The Holy Sepulchre

Calidad de Vida Award - Puerto Rico

Memberships:

Diplomate, American Board of Internal Medicine

Fellow, American College of Physicians

Honorary President, Interamerican College of Physicians and Surgeons

Member, American Medical Association (Past Alternate Delegate)

Member, Asociation of Military Surgeons of the United States

Member, Society of Medical Consultants to the Armed Forces

Member, National Medical Veterans Society

Honorary Member, Pan American Medical Society, Washington, DC

Member, Academy of Medicine of Washington, DC

Honorary Member, Southern Medical Academy, Ponce, Puerto Rico

Member, Special Medical Advisory Group Veterans Administration Washington, DC

Member, Federal Health Care Executives Institute Alumni Assoc.

Member, Association of the United States Army

Member, American Academy of Medical Directors

Academic Appointments:

Professor of Medicine, Ponce School of Medicine, Ponce, PR

Senior Lecturer Uniformed Services University of the Health Sciences, Washington, DC

Medical Licenses:

Commonwealth of Massachusetts

Commonwealth of Puerto Rico

Military Rank:

Major General, AUS	Effective Date:	Feb. 24, 1978
	Date of rank:	Jul. 1, 1974
Major General, RA	Effective Date:	Apr. 1, 1979
	Date of rank:	Aug. 31, 1976

Retired from military service on June 30, 1983

Positions Held:

General Duty Medical Officer, Camp Gordon, GA	1955-57
Resident, Internal Medicine, Brooke General Hospital Fort Sam Houston, TX	1958-60
Assistant Chief, General Internal Medicine Service Tripler General Hospital, HI	1961-63
Internist, Clinical Research Division, Edgewood Arsenal, MD	1963-64
Chief Biological and Chemical Sciences Branch Medical Field Service School, Fort Sam Houston, TX	1964-67
Division Surgeon, 3rd Armored Division, Frankfurt Germany	1967-68
Commanding Officer, 45th Field Hospital and Surgeon Southern European Task Force, Vicenza, Italy	1968-70
Chief, Medical Corps Career Activities Division Office of the Surgeon General, DA, Washinton, DC	1970-72

Director, Nonresident Health Education, Academy of Health Sciences, Fort Sam Houston, TX	1973-75
Deputy Chief of Staff for Operations, Health Services Command, Fort Sam Houston, TX	1975-76
Director, Health Care Operations, Office of the Surgeon General, DA, Washington, DC	1976-77
Deputy Surgeon General, Office of the Surgeon General DA, Washington, DC	1977-81
Commanding General, Walter Reed Army Medical Center Washington, DC	1981-83
Dean, Ponce School of Medicine, Ponce, Puerto Rico	1983-84
President and Dean, Ponce School of Medicine, Ponce Puerto Rico	1984-87
Medical Director, Damas Hospital, Ponce, Puerto Rico	Jan. 1988 - Dec 1988
Secretary of Health, Commonwealth of Puerto Rico	Jan. 1989 (Present)

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by Enrique Mendez, Jr., in connection with his nomination follows:]

UNITED STATES SENATE

COMMITTEE ON ARMED SERVICES

Room SR-228

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearings and will also be published in any hearing record as well as made available to the public.

1. **Name:** (Include any former names used.)
Enrique Mendez, Jr., M.D.
Enrique Mendez Grau.

2. **Position to which nominated:**
Assistant Secretary of Defense (Health Affairs).

3. **Date of nomination:**
January 23, 1990.

4. **Address:** (List current place of residence and office addresses.)
[Nominee responded and the information is contained in the committee's executive files.]

5. **Date and place of birth:**
July 15, 1931; Santurce, Puerto Rico.

6. **Marital Status:** (Include maiden name of wife or husband's name.)
Married to Olga M. Muñoz Bruno.

7. **Names and ages of children:**
Olga Méndez Muñoz, 35; Enrique Méndez Muñoz, 33; Carmen Méndez Muñoz, 32; Margarita Méndez Muñoz, 29.

8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.
Colegio Ponceño de Varones, Ponce, P.R. High School, 1946.
University of Puerto Rico, B.S., 1951.
Loyola University, Chicago, M.D., 1954.
Mercy Hospital, Chicago Internship, 1955.
Brooke Army Medical Center (Internal Medicine), 1960.

9. **Employment record:** List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.
Secretary of Health, Commonwealth of Puerto Rico, January 1989 to present.
Medical Director, Damas Hospita, Ponce, P.R., Jan. 1988 to December 1988.
President and Dean, Ponce School of Medicine, Ponce, Puerto Rico, 1984-87.

Dean, Ponce School of Medicine, Ponce, Puerto Rico, 1983-84.Commanding General, Walter Reed Army Medical Center, Washington, DC, 1981-83.

Deputy Surgeon General, Office of the Surgeon General, DA, Washington, DC, 1977-81.

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

1. Member of Special Medical Advisory Group to Chief Medical Director, Department of Veterans Affairs, Washington, DC.

2. Presided Commission on Premature Thelarche for Department of Health, Puerto Rico.

11. **Business relationships:** List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

Member, Special Medical Advisory Group, Department of Veterans Affairs, Washington, DC.

12. **Memberships:** List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

Diplomate, American Board of Internal Medicine.
Fellow, American College of Physicians.
Honorary President, Interamerican College of Physicians and Surgeons.
Member, American Medical Association (Past Alternate Delegate).
Member, Association of Military Surgeons of the United States.
Member, Society of Medical Consultants to the Armed Forces.
Member, National Medical Veterans Society.
Honorary Member, Pan American Medical Society, Washington, DC.
Member, Academy of Medicines of Washington, DC.
Honorary Member, Academy of Medical Directors of Puerto Rico.
Honorary Member, Southern Medical Academy, Ponce, P.R.
Member, Special Medical Advisory Group Veterans Administration, Washington, DC.
Member, Federal Health Care Executives Institute Alumni Association.
Member, Association of the United States Army.
Member, American College of Physicians Executives.
Phi Chi Medical Fraternity (Inactive).
Phi Eta Mu Fraternity (Inactive).

13. **Political affiliations and activities:**

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

None.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $100 or more for the past 5 years.

None.

14. **Honors and Awards:** List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Military

Distinguished Service Medal.
Legion of Merit (One oak leaf cluster).
Army Commendation Medal.
Expert Field Medical Badge.
Brazilian Order of Aeronautical Merit.
Order of Military Medical Merit.
Eagle Award, National Guard Bureau.
Meritorious Services Award, National Guard Bureau.
Aaron and Hur Award, Army Chaplain Corps.

Civilian

Alumni Award, Loyola University.
Laureate Award, American College of Physicians (Army Chapter).
Distinguished Service Award, Federal Health Care Executives Institute Alumni Association.

Knight, Order of the Holy Sepulchre.
Calidad de Vida Award - Puerto Rico.
Food and Drug Administration Commissioner's Special Citation.

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

1. Chapter on Renal Diseases - Diseases of Medical Progress. Edited by Robert Moser, M.D. Published by Charles C. Thomas, 1964.

2. Chronic Melioidosis: Serologic Diagnosis and Antibiotic Treatment, AFMJ Vol. 11 No. 10, October 1960.

3. Hispanic Contributions to American Life: Historical and Modern Perspectives. Puerto Ricans in Science and Biomedicine American Association for the Advancement of Science Publication 81-R-5, Nov. 1981.

16. **Speeches:** Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

None.

17. **Selection:**

(a) Do you know why you were chosen for this nomination by the President?

Experience in both clinical medicine and administration.

Military Medical Center including experience at significant management levels and positions of responsibility.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

Having been a career medical officer for a period of 28 years. Total familiarity with the system of health care delivery in the military. After retirement experience in academic, hospital and health care delivery systems and public health settings, all in positions of management.

18. **Commitment to testify before Senate committees:** Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes, I agree.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

Name: Enrique Mendez, Jr.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past 10 years have your or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employers, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either, individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

ENRIQUE MENDEZ, JR.

This 7th day of September, 1989.

[The nomination of Enrique Mendez, Jr. was reported to the Senate by Senator Sam Nunn on February 27, 1990, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on February 28, 1990.]

[Prepared questions submitted to Colin R. McMillan by Senator Nunn prior to the hearing with answers supplied follow:]

FEBRUARY 31, 1990.

Hon. SAM NUNN,
Chairman, Committee on Armed Services,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Your letter of January 24 provided questions on selected defense policy and management issues; the attached pages provide my views to each of these questions.

Thank you for the opportunity to share with you my views on the acquisition system prior to my confirmation hearing. I look forward to discussing these issues in greater detail with you in the future. Please contact me if I can be of further assistance.

Sincerely,

COLIN R. MCMILLAN.

Attachments.

DUTIES

Questions (1a). In addition to the duties enumerated for you in the DOD Directive discussing your office, has the Under Secretary of Defense for Acquisition (USD/A) advised you of any additional responsibilities that he or the Secretary may ask you to undertake? If so, please describe those responsibilities.

Answer. Probably the most significant new responsibility will be supporting the Under Secretary of Defense for Acquisition in the improvement of the acquisition process. In pursuit of these improvements, the Defense Management Report has established several management goals, including reducing overhead costs, improving the performance of specific weapon systems, reducing mismanagement, improving both Government and industry standards of ethical behavior, and strengthening the US industrial base. If confirmed, I will be a key advisor to the Unde Secretary in achieving these goals and improving the acquisition process.

Question (1b). If confirmed as Assistant Secretary of Defense for Production and Logistics, what would you view as your principal responsibilities to the Secretary of Defense?

Answer. If confirmed, as the Assistant Secretary for Production and Logistics, I will be the chief advisor to the Under Secretary, the Deputy Secretary and the Secretary of Defense on issues relating to procurement, facilities and installations, environmental programs, and logistics. I will oversee planning and budgeting activities related to these functions and ensure the implementation of regulations in the procurement process. In addition, I would serve as the immediate staff supervisor for the Defense Logistics Agency and the Defense Systems Management College.

RELATIONSHIP WITH OTHER OFFICIALS

Question (2a). Will you have direct access to the Under Secretary of Defense for Acquisition (USD/A) or the Statutory Deputy Under Secretary on all issues or are there any issues on which you will be required to report to another official?

Answer. I will have direct access to the Under Secretary and the new Deputy Under Secretary for Acquisition on all issues.

Question (2b). What will be your relationship to the Director of the BAR Council?

Answer. The DAR Council Director will work under my guidance and leadership, reporting through her direct supervisor, the Deputy Assistant Secretary of Defense for Procurement (DASD(P)). I will exercise full authority and responsibility over the direction of the BAR Council and I, as well as the DASD(P), will rate the Director's work performance.

Question (2c). Are there any structural changes to the Council needed to ensure that it is accountable to the Under Secretary of Defense (Acquisition) as opposed to the DOD components?

Answer. The DAR Council is accountable now to the Under Secretary of Defense (Acquisition). If confirmed, I will review its structure and operations, and if changes are needed, I will make them.

Question (2d). What will be your working relationship with the Senior Acquisition Executives of the military services?

Answer. The Under Secretary for Acquisition, by statute, serves as the Defense Acquisition Executive. If confirmed, I will be a principal advisor to the Defense Acquisition Executive, who is responsible for policy, administration, oversight and supervision of all DOD acquisition matters. In addition, I will develop and maintain close working relationships with the Service Acquisition Executives and with the relevant Service leaders in all of my areas of responsibility.

PRIORITIES

Question (3a). If confirmed, what do you consider to be the most serious management problems in need of your attention as Assistant Secretary of Defense for Production and Logistics?

Answer. If confirmed, I would expect to devote significant time to several major concerns, including the execution of procurement reform, environmental cleanup programs, and improvement of weapons system support as well as readiness and sustainability. This will be all the more challenging in a world of changing threats, a redefining of the Defense mission, and lower budgets.

Question (3b). What management activities and timetables would you establish to address these problems?

Answer. It would be premature for me to establish specific timetables at this time, in view of the rapidly changing circumstances and of decisions still pending under DMR. I would expect, though, to set high goals and to pursue program and management reforms vigorously in support of Secretary Cheney's initiatives.

DEFENSE REFORMS

Question (4). Do you fully support the defense reforms mandated in 1986: the Goldwater-Nichols Department of Defense Reorganization Act, the Packard Commission recommendations, and the special operations and low intensity conflict reforms? What leadership role would you play in the full and timely implementation of these reforms?

Answer. Yes, I fully support these initiatives. If confirmed, my role as Assistant Secretary of Defense for Production and Logistics will in part be to help streamline the acquisition process to produce better quality systems at lower cost. The procurement, logistical, and systems programs that I will supervise are at the heart of such streamlining efforts. My own experience in the competitive private sector will be useful in this task. I believe in setting goals and in taking action to achieve them.

PROGRAM STABILITY

Question (5a). The Defense Management Review emphasized program stability, (i.e., a stable environment of funding and management) as one of the characteristics which the Packard Commission identified as a necessity for a successful acquisition program. One of the problems that has been identified as a contributing factor to instability is the mismatch between decisions of the Defense Acquisition Board and the Defense Resources Board (to be redesignated the Defense Planning and Resources Board).

If confirmed as the Assistant Secretary of Defense for Production and Logistics, what do you foresee as your role in the planning, programming, and budgeting process for defense acquisitions?

Answer. If confirmed as the Assistant Secretary of Defense for Production and Logistics, I would play a full role in each phase of the Planning, Programming, and Budgeting System in all my areas of responsibility.

Question(5b). Are there any actions that you can take or advice you can provide the USD(A) to help ensure that decisions of the DAB are not reconsidered by the DPRB?

Answer. I am advised that the DAB milestone process has been substantially revised by the USD(A) to add greater discipline to the acquisition system. Affordability and risk management are two primary factors actively considered at each milestone decision point.

If confirmed as the ASD(P&L), as an advisor to the USD(A), I will be able to assist the USD(A) in performing these duties by providing advice regarding production and logistics issues in a timely manner. The separate roles of the DAB and DPRB are set forth in DOD Directives. The membership of the USD(A) on both Boards, and a close working relationship between the two Board Chairman (the USD(A) for the DAB and the Deputy Secretary for the DPRB), can be expected to prevent duplication.

Question (5c). What steps can you take to ensure greater consistency and continuity between these two bodies?

Answer. The USD(A) is a member of the DPRB and serves as key advisor to the Deputy Secretary during PPBS deliberations. In this capacity, the USD(A) advises the Deputy Secretary of technical and programmatic issues as they arise during budget deliberations. If confirmed as an advisor to the USD(A), I can assist the USD(A) in identifying those issues and proposing ways to resolve them, thereby helping to make the right decisions and then to budget for implementing those decisions.

GOLDWATER-NICHOLS ACT

Question (6a). If confirmed, what role do you expect to play in monitoring compliance with the Goldwater-Nichols Act in terms of the organization of acquisition functions within the Military Departments?

Answer. The Goldwater-Nichols Act required the Military Departments to designate a single office to conduct acquisition and research and development (R&D) functions. The ASD(P&L) is chartered by DOD Directive 5128.1 as the Principal Staff Assistant and advisor to the Under Secretary for Acquisition for procurement issues. If confirmed, I will work very closely with the Services to bring about consistent acquisition policy and contracting practices.

Question (6b). What do you expect your role to be in the process of ensuring that the acquisition objectives of the Department are consistent with the operational requirements of the combatant commanders?

Answer. I am aware that the operational requirements of the combatant commands are made known to the services and the Chairman of the Joint Chiefs of Staff through the Planning, Programming, and Budgeting System. Once the Chairman has confirmed a mission need, that need is passed to the acquisition system to find solutions. I am advised that at each milestone decision, the existing DAB process ensures that we confirm that the mission need is still valid and that the acquisition solution continues to meet that need.

If confirmed, my role as an advisor to the Under Secretary of Defense for Acquisition will be to ensure that producibility and logistics considerations are designed into solutions to mission needs and operational requirements of our commanders.

DEFENSE MANAGEMENT REVIEW

Question (7a). The management Review called for ". . . an overall improvement in the efficiency of DOD's acquisition management, logistics, distribution and related maintenance activities" and "a reduction of at least 15 percent in the annual cost to DOD of such related functions by not later than fiscal year 1993." If confirmed what role do you expect to play in meeting this goal and what measures would you take?

Answer. If confirmed as Assistant Secretary of Defense for Production and Logistics, I intend to review all of the initiatives underway in these areas. In addition, I will encourage and seek good ideas about improving the process, building on the best operating philosophies and processes in the services today.

I will be very active in ensuring that the continuous process improvement concept is fully employed to examine each action and plan in light of the most recent experiences and events. I believe that this is a very important new responsibility for the ASD(P&L). I am committed to making every effort to see that the projected cost savings are made by fiscal year 1993.

Question (7b). Are there any other roles that the Assistant Secretary of Defense for Production and Logistics may play in implementing the recommendations of the Defense Management Review?

Answer. If confirmed as the ASD(P&L), I would expect to address the implementation of the DMR in several ways.

Foremost would be to seek the continued advice and support of the Congress. I would also seek to involve industry in a practical way and establish a major focus on DMR implementation. We must keep an eye on the impact on industry as we implement improvements.

Finally, I expect to actively involve the services and other defense components in every phase of implementation. Only through a strong focus on implementation can we make the changes stick.

Question (7c). What management activities and timetables would you establish to address these responsibilities?

Answer. I am advised that there is already a timetable laid out for the initial implementation of DMR actions. I intend to meet the milestones that already exist. However, it must be recognized that many of these actions will be ongoing, and continuous management attention will be required.

Question (7d). The Defense Management Review acknowledges deficiencies in the Department's implementation of the Packard Commission's recommendations. If confirmed, what steps can you take to ensure that similar problems do not occur in the implementation of those aspects of the Management Review for which you are responsible?

Answer. Implementation of the Packard Commission recommendations will require sustained attention, long term diligent effort, and creation of a cultural change across a broad range of the Department's activities, of which production and logistics are major elements. I believe that personal and continuous follow-up on my part will ensure that we meet the spirit and challenges of the Packard Commission and the Defense Management Report.

Question (7e). Both the Packard Commission and the Management Review called for substantially greater reliance on commercial products. Consistent with these recommendations, section 824 of the National Defense Authorization Act for fiscal years 1990 and 1991 directs the Secretary to address three specific impediments to the acquisition of commercial items. What opportunities do you see for greater use of commercial products throughout the DOD?

Answer. I believe that DOD needs to tap the full potential of our commercial industrial base. If confirmed as the ASD(P&L), I plan to begin to effect the changes necessary by addressing those impediments identified in the Authorization Act. Where commercial off-the-shelf items can satisfy a DOD need, DOD should use such items.

Question (7f). What will be your role in the process of ensuring that the Department makes greater use of commercial items and in the implementation of section 824?

Answer. Making greater use of commercial products will be one of my priority areas of concern. My role, if confirmed, will be to reduce barriers as we identify them. This will permit, encourage, and reward those who actually do the buying in defense to use commercial items to the greatest extent possible.

ILL WIND

Question (8a). What specific lessons do you think the Department can draw from the Ill Wind investigation in terms of managing the acquisition process?

Answer. While I have not been involved in specific lessons learned from the investigation, I intend to pursue those actions that will keep this sort of thing from happening again and get at the root causes of the problem.

DOD needs to evaluate proposals and make contract awards as soon as possible after receipt of industry proposals. Everyone must have a clear understanding of DOD policy regarding the release of information on procurements. We must strive to improve legitimate exchange of information in the procurement process. Further, we must continue to encourage strong self governance programs in industry which can help prevent the recurrence of such problems. DOD will not tolerate illegal or unethical behavior on the part of anyone within the acquisition process.

Defense management must maintain an environment where official standards of conduct and ethics are well understood, broadly observed, and vigorously enforced.

Question (8b). What specific steps would you suggest that the Department take to establish a process for assessing and addressing acquisition policy issues arising out of the scandal?

Answer. I have been advised that the Department has already taken several steps in this direction. A special acquisition task force was established to direct necessary actions. I intend, if confirmed, to take a hard look at all the actions that came out of that task force's review. Whenever those actions require policy changes, I will pursue them.

Question (8c). What input do you anticipate having in the development of the regulation called for by section 822?

Answer. Section 822 requires DOD to develop a policy on what acquisition-related information is releasable. I am advised that the draft regulation is already being prepared and coordinated within the Department. If confirmed, I expect to review the final version of the regulation, the public comments on it, and then to act on the final policy. I will make sure that the final policy is implemented uniformly by the services and Defense Agencies.

Question (8d). What are the principal issues that should be addressed in the implementation of section 822?

Answer. Again, since I have not been involved in this regulation at this point, I cannot comment on the specifics. However, if confirmed, I will give this draft policy my immediate attention.

PRODUCT QUALITY

Question (9). If confirmed, you would be responsible for establishing policy for Total Quality Management. In recent years public confidence in the quality of DOD procurements has been seriously eroded. Total Quality Management has been suggested as a means to improve the product quality and bolster public confidence in DOD purchases.

a. What are your views on this chronic problem in the DOD acquisition system and what are your views on Total Quality Management and other potential solutions to the problem?

b. What steps can you take to implement solutions to the problem of product quality in the DOD acquisition process?

Answer. I am advised that the USD(A) has established the position of Deputy Under Secretary for Total Quality Management. The questions above should most appropriately be addressed to that individual.

LOGISTICS PROGRAMS

Question (10). The committee has been concerned over funding shortfalls across a broad range of DOD logistics and support programs—depot maintenance, supply maintenance, supply activities and real property maintenance, for example. What do you consider to be the most serious problems in the Department's logistics and support programs and what management activities and timetables would you establish to address these programs?

Answer. If confirmed, my focus in this area would be to ensure that operational logistics support will meet the Department's readiness and sustainability objectives. However, world events are leading to changes in this nation's military, which will result in changes in the logistics capabilities needed to support that strategy. We also have to reduce the cost of supporting our forces while maintaining military strength. These are not easy tasks.

If confirmed, I will review where we are now, the changes currently underway, and determine what additional steps may be necessary to effectively implement the right support capabilities.

ENVIRONMENTAL PROGRAMS

Question (11). The Assistant Secretary of Defense for Production and Logistics has overall management responsibility for the DOD's environmental programs, including hazardous waste policy and environmental restoration programs.

Question (a). In your view, what are the most serious challenges facing the Defense Department in this area?

Answer. While I have not yet had an in-depth review of the current status of every project, I believe the most serious environmental challenges facing the Department of Defense center around the cleanup of hazardous waste on active installations and at formerly used properties, and the escalating cost of environmental compliance. We need to establish priorities for environmental expenditures on a worst-first basis, and to raise the overall level of environmental compliance and protection throughout DOD.

Question (b). How do you plan to deal with these challenges?

Answer. I believe it is critical that Federal facilities and programs meet environmental standards. If confirmed, I will establish the priorities for cleanup and support the policies enunciated by Secretary Cheney to make DOD a Federal leader in agency environmental compliance and protection.

MILITARY CONSTRUCTION

Question (12a). The Defense Department's military construction budget has been declining in recent years, and the fiscal environment will be constrained in the future. If confirmed, how will you prioritize competing construction and maintenance requirements for the future?

Answer. If confirmed, I will review the existing requirements and plans that include ways to improve working and living conditions for our military people, improve productivity, save energy and maintenance costs, and protect the existing huge investment in military facilities. I want to make sound business decisions that buy the most military capability. I will seek the advice of the services, the Chairman of the Joint Chiefs of Staff and of our Unified and Specified Commanders.

Question (12b). The Armed Services Committee has raised a number of concerns about the need for, and financing of, military construction projects overseas. In light of possible force structure changes in both Europe and Asia, as well as the need for greater burdensharing efforts on the part of our allies, how will you approach requests for overseas military construction programs?

Answer. If confirmed, I will ensure that overseas construction budget requests will be thoroughly scrubbed to make sure that the work that is included is essential to the mission and will be required for the foreseeable future. We need to be careful and frugal in the make up of our military construction requests in support of our people overseas.

Question (12c). The Commission on Base Realignment and Closure strongly emphasized the need to modernize and expand the Defense Department's training and testing ranges. What are your views on this issue and how important is it as a priority?

Answer. There is a need for Defense to adapt its facilities to changing technology, but there is also a need to take into account the interests of taxpayer cost and environmental protection. The Department needs to articulate its requirements well. If confirmed, I intend to gather information on our current ranges and on our needs for the future.

I consider it one of my primary responsibilities to provide the proper resources (land and facilities) so that our soldiers, sailors, airmen, and marines, can receive top quality training, but we need to be sure we use all our ranges and facilities to the maximum extent possible before considering any expansion.

Question (12d). How do you intend to assess the services' needs in this area?

Answer. I am advised that the Department is comparing current training and testing needs with available resources. If confirmed, I will ensure that proposals for additional land or airspace will be evaluated based on such factors as need, alternative, and joint use of existing ranges.

MANAGEMENT SKILLS

Question (13). If confirmed, you will have a major role as a senior manager and leader within the Department. How has your background prepared you for this critical position in Government? How would you assess your management, organizational, and leadership skills for this Government position?

Answer. My background as a Marine Corps officer, a State Legislator with significant involvement in revenue projections and budget making, a geophysicist with a strong technical background, a contractor who insists on and gets quality and performance from subcontractors while allowing them a fair profit, a banker, a successful entrepreneur and a civic leader from a small town which experienced the closure of a large Air Force base are all experiences which will be valuable as I assume the job as Assistant Secretary of Defense for Production and Logistics.

My management style includes a long term as well as short term strategy for each venture in which I am involved. This has allowed my businesses to prosper through severe depressions in oil exploration, agriculture and the savings and loan industry. I insist upon vigorous action to correct errors once they are recognized al-

though I am slow to criticize those who make honest mistakes. I recognize good ideas, capitalize on them and make sure that those who create them are recognized and rewarded. I run a diverse collection of businesses by getting and keeping good managers, giving them authority, supporting their decisions and continuously evaluating their performance. Goals are determined after consultation with and agreement of managers, are clearly defined and progress toward them regularly monitored.

My leadership style includes setting high but attainable goals and making fair, intelligent and consistent decisions.

[The nomination reference of Colin R. McMillan follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
January 23, 1990.

Ordered, That the following nomination be referred to the Committee on Armed Services:

Colin Riley McMillan, of New Mexico, to be an Assistant Secretary of Defense, vice Jack Katzen, resigned.

[The biographical sketch of Colin R. McMillan, which was transmitted to the committee at the time the nomination was referred, follows:]

BIOGRAPHICAL SKETCH OF COLIN R. MCMILLAN

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release January 3, 1990

The President today announced his intention to nominate Colin Riley McMillan to be an Assistant Secretary of Defense for Production and Logistics. He would succeed Jack Katzen.

Currently, Mr. McMillan serves as Chairman of the Board and Chief Executive Officer of the Permian Exploration Corporation. In addition, he serves as Managing Partner of the Three Rivers Ranch and Chairman of the Board of the First Federal Savings Bank in Roswell, New Mexico.

Mr. McMillan was graduated from the University of North Carolina (B.A., 1957). He was born July 27, 1935 in Houston, Texas. Mr. McMillan served in the United States Marine Corps, 1957-1960; and served in the United States Marine Corps Reserve, 1960-1972. He is married, has four children and resides in Roswell, New Mexico.

# # #

COLIN R. McMILLAN

BIOGRAPHY

I. PERSONAL AND FAMILY

Born in Houston, Texas, July 17, 1935; fourth of six children.
Father, Hugh D. McMillan, Sr., a civil engineer.
Mother, Edna Self McMillan, a housewife.

Resident of Roswell, New Mexico since December, 1961.

Health is excellent.

Married to Kay Anderson Ruth of Marion, Virginia on July 26, 1958. Kay received a BA in Economics from Mary Washington College, Fredricksburg, Virginia.

Four children:

Lynda Kay McMillan Ballard, age 29, received a BS in Clothing and Textiles from Arizona State University; married to David Ballard, a geophysicist, residing in Billings, Montana.

Colin R. McMillan, III, age 27, received a BA in Business from Arizona State University; married to Patricia Morris; and in the oil business in Midland, Texas.

Susan Ann McMillan, age 24, was graduated from Southern Methodist University with a BS in Math and has an MBA from the University of North Carolina; employed at a major brokerage in New York City.

Michael Allen (Mike) McMillan, age 22, is a senior at the University of New Mexico in Albuquerque, majoring in Geology.

The McMillans have three grandchildren.

II. EDUCATION

Phi Beta Kappa, BS, Geology, University of North Carolina, 1957.

Tarr Award, graduating first-in-class in Geology.
Regular Naval ROTC Scholarship.
Order of the Old Well (Honorary Society).
Phi Kappa Sigma Fraternity.

Houston Public Schools, 12 years.

III. MILITARY LEADERSHIP

Highest rank: Major, United States Marine Corps Reserves
Honorable Discharge, 1972.
All active duty was command time, when not in schools. Company Commander, Platoon Commander.
19 years total military service including NROTC, 1953-57; Active Duty, 1957-60; Active Reserves, 1960-67; Inactive Reserves, 1967-72.

IV. CIVIC LEADERSHIP

Founding Director and President, Roswell Economic Forum.
Sunday School teacher (16 years), First United Methodist Church.
University of New Mexico Development Council.
Eastern New Mexico Medical Center Foundation.
Little League Official, 3 years.
Scoutmaster, 1 year.

V. PROFESSIONAL LEADERSHIP

Chairman, Governor's Task Force on Oil and Gas.
Past President of the New Mexico Geophysical Society.
Past President of the New Mexico Oil and Gas Association.
Member of the New Mexico State Board of Finance.
Member of the Independent Petroleum Association of New Mexico.
Member of the New Mexico Cattle Growers Association.
Member of the Roswell Geological Society.
Member of the New Mexico Amigos.

VI. BUSINESS LEADERSHIP

Chairman of the Board and CEO, Permian Exploration Corporation.
Partner, LDM Associates Oil and Gas Exploration.
Managing Partner, Three Rivers Ranch, (64,000 acres, 700 mother cows, and 400 acres irrigated hay operations.)
Owner, Roswell Vegetable Farms.
Chairman of the Board, First Federal Savings Bank.
Former Chairman of the Board, Valley Bank of Commerce.

VII. POLITICAL LEADERSHIP

Co-Chairman and Finance Co-Chairman for New Mexico, George Bush for President, 1988.
Gubernatorial Candidate, 1986 Primary.
Co-Chairman, Senator Pete Domenici's 1984 Re-Election Campaign.
Finance Co-Chairman, Republican Party of New Mexico, 1984.
Republican Nominee for Lt. Governor, 1982 General.
Minority Whip (4 years); Chairman House Taxation and Revenue Committee (4 years); and Member of the New Mexico House of Representatives, 1971-82.
Chairman, Chaves County Republican Party, 1966.

VIII. OTHER

Current Airline Transport Pilot (4,300 hours) with commercial, instrument and multi-engine ratings.

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by Colin R. McMillan, in connection with his nomination follows:]

UNITED STATES SENATE

COMMITTEE ON ARMED SERVICES

Room SR-228

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearings and will also be published in any hearing record as well as made available to the public.

1. **Name:** (Include any former names used.)
Colin Riley McMillan.

2. **Position to which nominated:**
Assistant Secretary of Defense (Production and Logistics).

3. **Date of nomination:**
January 23, 1990.

4. **Address:** (List current place of residence and office addresses.)
[Nominee responded and the information is contained in the committee's executive files.]

5. **Date and place of birth:**
July 27, 1935; Houston, TX.

6. **Marital Status:** (Include maiden name of wife or husband's name.)
Married to Kay Ruth McMillan. Maiden name: Kay Anderson Ruth.

7. **Names and ages of children:**
Lynda Kay McMillan Ballard, age 30; Colin R. McMillan III, age 28; Susan Ann McMillan, age 25; Michael Allan McMillan, age 23.

8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.
Lamar High School, Houston, Texas, 1950–1953.
University of North Carolina, Chapel Hill, NC, 1953-1957, B.S. Geology, June 1957.
Oceanside, California, Junior College, 1959, completed 3-hour business law course.

9. **Employment record:** List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.
Permian Exploration Corporation, President.
Colin McMillan, Consulting Geophysicist, owner.
GeoData Corporation, Sales Representative.
Have held jobs for more than 10 years.
Location: 118 West First, Roswell, New Mexico 88201.

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

Member of the New Mexico House of Representatives, 1971-1982.
Minority Whip, 4 years.
Chairman, Taxation and Revenue Committee, 4 years.
Member New Mexico State Board of Finance, 1987 to present.
Chairman, New Mexico Governor's Oil and Gas Economic Development Task Force, February, 1987 to present.

11. **Business relationships:** List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

President and CEO, Permian Exploration Corporation.
President and CEO, Physical Sciences Research Corporation.
Sole Proprietor, Colin McMillan, Consulting Geophysicist.
Parter, Three Rivers Cattle Company.
Owner, Roswell Vegetable Farms.
Associate, LDM Associates.
Chairman of the Board, First Federal Savings Bank of New Mexico.
Trustee, Permian Exploration Pension and Profit Sharing Plans.
Vice-President and member of the Board, Ranger Petroleum Corporation.
Sales Representative, GeoData Corporation.
Board member, Permian Basin Petroleum Museum.

12. **Memberships:** List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

Member, Roswell Economic Forum.
Member, New Mexico First.
Board Member, Eastern New Mexico Medical Center Foundation.
Member, Roswell Geological Society.
Member, Permian Basin Geophysical Society.
Member, Society of Exploration Geophysicists.
Member, New Mexico Oil and Gas Association.
Member, Independent Producers Association of New Mexico.
Member, Roswell Chamber of Commerce.
Member, Roswell Commercial Development Corp.
Member, Aircraft Owners and Pilots Association.
Member, New Mexico Cattle Growers Association.
Member, The Nature Conservancy.

13. **Political affiliations and activities:**

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

Chairman, Chaves County, New Mexico Republican Party.
Member, New Mexico House of Representatives.
Republican nominee for Lt. Governor of New Mexico.
Republican candidate for Governor of New Mexico.
Member, State and County Republican Central Committees.
Member, State Republican Executive Committee.
Member, State Republican Finance Committee.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

State Co-Chairman, Pete Dominici for U.S. Senate, 1984.
State Finance Co-Chairman and State Political Co-Chairman, George Bush for President, 1987-1988.
Candidate for Governor, 1986.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $100 or more for the past 5 years.

1984:

Chaves County Republican Party	$120.
Charles A. Marquez	$200.
Republican Legislative Campaign Committee	$668.04.
S.A.P.E.C.	$100.
Reagan for President	$250.
New Mexico Republican Party	$1,000.
Marvin Watts for State Senate	$300.

Betty King for New Mexico Senate, $300.
Lou Gallegos for Congress, $500.
Marques Baca Fund Raiser, $500.
Sheffield Election Committee, $250.
Tandy Hunt for Legislator, $200.
Joe Skeen for Congress, $500.
Barry Goldwater Dinner, $1,000.
Wray Simmons for Corporation Commission, $250.
Marvin Watts for State Senate, $500.
People for Pete, $1,000.
Gary Robins for Legislature, $300.
Rod Rodrigues for County Commissioner, $200.
Rutledge for District Attorney, $200.
Hebert for Senate, $100.
Committee to Elect Ken Blair, $100.
Melodi Salas for State Representative, $200.
Lou Gallegos for Congress, $500.
Betty King for State Senator, $155.
Engle for State Senate, $200.
Republican Legislative Campaign Committee, $300.
Walter Bradley for State Senate, $200.
Marvin Watts for State Senate, $500.
Tom Baca for State Representative Committee, $500.
Betty King for Senate, $200.

1985:

First Inaugural Ball, $500.
Republican Legislative Campaign Committee, $375.
Republican Party of New Mexico, $130.
Republican Party of New Mexico, 1985 Solomon Luna Club, $1,000.
Republican Party of New Mexico, $400.
Republican Party of New Mexico, Autumn Auction Ad, $200.
Republican Party of New Mexico, Autumn Auction Ad, $200.

1986:

Republican Legislative Campaign Committee, $250.
Republican Party of New Mexico, Solomon Luna Club, $800.
Committee to Elect Carla Muth, $100.
Dave Cargo for Congress, $500.
Lee Goodpasture for County Commissioner, $200.
Colin McMillan for Governor, $464,737.22.
Hal Stratton for New Mexico Attorney General, $500.
Maurice Hobson for State representative, $500.
Lujan Booster Club, $400.

1987:

Republican Party of New Mexico, 1987 Solomon Luna, $1,000.
Republican Legislative Campaign Committee, $250.
Bush for President, $1,000
E.N.M.U.-R. Mill Levy Campaign, $500.
Fund for America's Future, $1,500.
Donisthorpe for Senator, $200.
Morris for Senate, $500.

1988:

McDaniel for Justice, $200.
Governor's Ball, $250.
Lujan for Congress, $1,000.
Dago Ruiz for Senate, $1,000.
C. Salazar for Congress, $500.
Republican Party of New Mexico, Solomon Luna Club, $1,000.
Presiden't Dinner, $1,000.
Hubert Quintana for State Representative (stamps for mailer), $358.75.
Hubert Quintana for State Representative (printing for mailer) $271.25.
Hubert Quintana for State Representative (print biographies) $178.56.
Schiff for Congress, $1,000.
Committee to Elect Rich Olson, $200.
Cecilia Salazar for Congress, $500.
Victory '88 New Mexico, $1,000.
Republican Legislative Campaign Committee (Lujan letter), $378.03.
Marvin Watts for Senate, $500.

Republican Party of New Mexico, $200.
Cecilia Salazar for Congress, $200.
John Blansett for Otero County Sheriff, $100.
Albert Martinez for Legislature, $500.
Bob Corn Campaign Committee, $900.

1989:

New Beginnings (Roswell School Board), $1,000.
Solomon Luna Club, $1,000.
Domenici for Senate, $1,000.
Republican Legislative Campaign Committee (postage for mailer), $423.
Republican Legislative Campaign Committee (printing for mailer), $240.44.
New Beginnings (Roswell School Board), $521.32.
Steve Schiff for Congress, $500.
Domenici for Senate (in kind contribution), General Election, $500.
Republican Party of New Mexico, $100.
Skeen for Congress, $100.
Ken Wilson for State Supreme Court, $500.

14. **Honors and Awards:** List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Member, Phi Beta Kappa, University of North Carolina.
Tarr Award, Outstanding Geology Student, University of North Carolina.
Order of Old Well, University of North Carolina.

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

None.

16. **Speeches:** Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

None.

17. **Selection:**

(a) Do you know why you were chosen for this nomination by the President?

Expressed my interest in serving in the Bush administration to a number of people. Because of this interest and my experience in government and business I was recommended for this position.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

I have the ability to run a number of successful businesses at the same time. I am Chairman of the Board of a savings bank which has made money every year in spite of difficult times. Did the first onshore proprietary regional seismic survey in the United States. This became the basic pattern for a $100,000,000 per annum industry during the oil boom. Run one of the most profitable domestic geophysical (seismic) businesses in the United States. Recently completed a highly successful experimental project to obtain geophysical (seismic) data in an area where data was extremely difficult to obtain. Accomplished this by being the first to combine old technology with new instrumentation. Have discovered several small and medium sized oil fields. Recently became one of the largest vegetable growers in the Pecos Valley of New Mexico and encouraged a renaissance of vegetable growing in the area. Helped with the revitalization of the economy of Roswell, New Mexico after the closure of Walker Air Force Base in 1966. I believe that my 25 years as a successful independent businessman, 10 years of Marine Corps active duty and reserve service together with 15 years as an elected and appointed State official will bring a unique prospective to the business side of the Department of Defense.

18. **Commitment to testify before Senate committees:** Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

Name: Colin R. McMillan.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past 10 years have your or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employers, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either, individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

COLIN MCMILLAN.

This 12th day of January, 1990.

[The nomination of Colin R. McMillan was reported to the Senate by Senator Sam Nunn on February 27, 1990, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on February 28, 1990.]

NOMINATION OF ADM. DAVID E. JEREMIAH, TO BE VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF

THURSDAY, FEBRUARY 22, 1990

U.S. Senate,
Committee on Armed Services,
Washington, DC.

The committee met, pursuant to notice, at 2:45 p.m., in room SR-222, Russell Senate Office Building, Senator Sam Nunn (Chairman) presiding.

Committee members present: Senators Nunn, Exon, Dixon, Wirth, Warner, Thurmond, McCain, Gorton, and Lott.

Committee staff members present: Arnold L. Punaro, staff director; Richard D. DeBobes, counsel.

Professional staff members present: Richard D. Finn, Jr.; David S. Lyles; Michael J. McCord; Norman G. Mosher; and Frederick F.Y. Pang.

Minority staff members present: Patrick A. Tucker, minority staff director and counsel; Romie L. Brownlee, deputy staff director for the minority; Brian D. Dailey, George W. Lauffer, and Mark B. Robinson, professional staff members.

Staff assistants present: Barbara L. Braucht and Melissa A. Ramsey.

Committee members' assistants present: Andrew W. Johnson, assistant to Senator Exon; Kenneth N. Luongo, assistant to Senator Levin; Charles C. Smith, assistant to Senator Dixon; Milton D. Beach, assistant to Senator Glenn; Terence M. Lynch, assistant to Senator Shelby; Anthony H. Cordesman, assistant to Senator McCain; Robert M. Soofer, assistant to Senator Gorton; and Charles G. Pearcy, assistant to Senator Lott.

OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman Nunn. The committee will come to order. The committee meets this afternoon to consider the nomination of Adm. David Jeremiah, to serve as Vice Chairman of the Joint Chiefs of Staff.

On behalf of the committee, I extend a warm welcome to you, Admiral. We are delighted to have you.

I would also like to recognize and welcome your wife, Connie, and your daughter, Jodi, who are both with you today, and her friend, Mark. We are delighted to have all of you here.

The position of Vice Chairman of the Joint Chiefs of Staff was created by the Goldwater-Nichols Department of Defense Reorganization Act of 1986 and is the second most senior position in the United States military.

The Vice Chairman functions as the Acting Chairman during the Chairman's absence, a function which was one of the primary reasons for creating this position.

Just a little background, Admiral. That was also one of the most controversial provisions of the bill; but I don't think it is controversial any longer.

He is also a statutory member of the Nuclear Weapons Council.

The law does not specify the other duties of the Vice Chairman since it was considered preferable in the Congress when we were passing that law to provide maximum flexibility to the Secretary of Defense and the Chairman to decide how best to utilize the position to assist the Chairman in the performance of his duties.

I will not list the multiple duties that have been assigned to the current Vice Chairman by the Secretary of Defense upon the recommendation of the Chairman of the Joint Chiefs of Staff. I will note, however, that the Vice Chairman serves as the Vice Chairman of the Defense Acquisition Board, as Chairman of the Joint Requirements Oversight Council, and that his duties are heavily weighted toward planning, programming, and resourcing matters.

Admiral Jeremiah was, until last Thursday, the Commander in Chief of the U.S. Pacific Fleet. Admiral Jeremiah's other noteworthy assignments, particularly in view of the responsibilities that are currently assigned to the Vice Chairman, include duty as a systems analyst in the Office of Program Analysis and Evaluation, in the Office of the Secretary of Defense; head of the Program, Plans, and Development branch of the Office of the Chief of Naval Operations; the Commander, Cruiser-Destroyer Group 8, from 1984 to 1986; and Director, Navy Program Planning in the Office of Chief of Naval Operations.

As Commander, Cruiser-Destroyer Group 8, Admiral Jeremiah directed the location and forced landing of the Egyptian airliner carrying the hijackers from the *Achille Lauro*. He was the battle force commander during freedom of navigation operations in the Gulf of Sidra.

Admiral Jeremiah also completed the course at the Armed Forces Staff College, thus satisfying the joint professional- military education requirement of a joint specialist.

Admiral Jeremiah thus brings a combination of operational and programmatic experience that should stand him in good stead to serve in the challenging assignment of Vice Chairman of the Joint Chiefs of Staff.

I should add that Gen. Bob Herres, who is presently serving as the first Vice Chairman of the Joint Chiefs of Staff, has done an extraordinary job in meeting the challenges of that position, both in getting it established and in carrying out his duties.

It is clear that the dramatic changes in the Soviet Union and in Eastern Europe, the declining resources that will be available for defense, the growing involvement of the military in the counternarcotics effort, and other changes in the global security environment will combine to make the job of the next Vice Chairman as difficult, if not more so.

Admiral Jeremiah has answered the advance set of questions that I sent to him. His answers were provided to committee members as soon as they were received.

Without objection, they will be entered into the end of the hearing record.

Chairman NUNN. Senator Warner, I know you have comments to make, and I know that you, having had a long affiliation with the Navy, have followed Admiral Jeremiah's career with a great deal of interest.

Senator WARNER. I thank the distinguished Chairman.

I wonder if I might ask, as a courtesy, if my remarks might follow those of Senator McCain.

Chairman NUNN. Senator McCain.

Senator MCCAIN. I thank you, Mr. Chairman, and I thank my distinguished friend from Virginia.

Congratulations, Admiral Jeremiah. I do have several questions that I would like to ask later on. But I would like to congratulate you not only on this assignment but for over 30 years of outstanding service to our country and our Navy.

Thank you, Mr. Chairman.

Chairman NUNN. Thank you.

Senator Warner.

Senator WARNER. Thank you.

Admiral, I must say that I think all of us are envious of you for a personal reason, and that is you will have an opportunity to work as a partner—and I underline "partner"—with General Powell, a man of extraordinary talents, yet extraordinary modesty. Together, you will provide the leadership to the uniformed services. Also, of greater importance, you will render the advice and counsel to the President and Secretary of Defense in one of the most stressful periods of our military history. This is a period when we are laboring to reduce the Armed Forces of the United States to those levels commensurate with the threat, while the threat every day becomes more elusive of definition.

So you have an extraordinary challenge. Your career, as Senator McCain points out and as the Chairman has enumerated, uniquely qualifies you to take on this period of our history.

So I wish you well and also your lovely family. You would not be where you are, I am sure, were it not for the good Navy wife, something we all know and respect in the sea services.

I would like to note for the record, Mr. Chairman, that their daughter goes to William and Mary, an institution of some distinction in the Commonwealth of Virginia.

I thank the Chair.

Chairman NUNN. Thank you very much, Senator Warner.

Senator Gorton.

Senator GORTON. Mr. Chairman, I am not going to be able to stay for the balance of the hearing. But I did want to come to express my strong support for the Admiral's nomination and to thank him for his thoughtfulness and kindness for hosting me when I was last at Pearl Harbor, and for the most interesting intelligence briefing which he provided for me at that time.

He is well qualified for this position, and I simply wanted to let him know, even though I will not be able to stay for the balance of the hearing.

Thank you, Mr. Chairman.

Chairman **Nunn**. Thank you, Senator Gorton.

Admiral, we would be delighted to hear from you, and then we will have some questions for you.

STATEMENT OF ADM. DAVID E. JEREMIAH, TO BE VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF

Admiral **Jeremiah**. Thank you very much, Mr. Chairman, and thank you all in the committee for your kind remarks.

I am enormously honored to appear today as President Bush's nominee to be Vice Chairman of the Joint Chiefs of Staff. I look forward to the challenge both of the position and the events that Senator Warner alluded to in today's rapidly changing world.

As all of you here know very, very well, the position of Vice Chairman, as the Chairman indicated, was created by the Goldwater-Nichols Act. That act has worked a fundamental change in the Department of Defense, the services, the Joint Chiefs and combatant commands.

Mr. Chairman, you may recall that when you last visited Pearl Harbor, we discussed the Goldwater-Nichols Act, and there was some noise level associated with that discussion.

Bill Crowe once told me that where you stand sometimes depends on where you sit. Today, I can say that the changes that have resulted from that act have been positive, and I have seen that effect as a service component commander in the Pacific.

I would also say that I would tell you the same thing if I were still the Naval component commander in the Pacific.

From that perspective, I saw a much stronger voice for the combatant commanders in the resource allocation process, and that is probably one of the strongest changes that you see from the component commanders' viewpoint. They have always had a strong operational voice, and so, the result is that there is a better balance between the operational and the administrative chains of command.

Turning specifically to the creation of the Vice Chairman's job, that step I think has made it possible for the Chairman to discharge his wide responsibilities and provide the advice to the President and the Secretary of Defense and the National Security Council that is so necessary.

Today, he can focus his attention on the major issues as circumstances require and as those issues change without undue concern that his other duties are going to be neglected. I have discovered in the last week that his other duties, the whole spread of his responsibilities, are considerable, and certainly it would take anyone a great deal of time to cover that ground and do it adequately.

As the first Vice Chairman, as you have indicated, Bob Herres has done a splendid job in defining the general responsibilities of the Vice Chairman not only within the Department of Defense but also in the inter-agency process and activity. A lot of that focus has been on the planning, programming and budgeting system and the acquisition process. As you note from my record, I have considerable experience in that process and I am comfortable there. But so many of those decisions will shape the future of the Armed Forces of the United States that the Chairman may very well decide to take a more active role in that part of the process.

So the exact balance of our responsibilities will ultimately be determined by General Powell, just as the law was enacted and intended for it to take place.

However he chooses to use my skills, I will do everything in my power to assure that this Nation's military forces comply with the letter and intent of the Goldwater-Nichols Act and that we provide the citizens of this country with the best military capability possible within all of the available resources for the Armed Forces of the United States.

I think key to achieving that goal is the close coordination with the combatant commanders and the service Chiefs.

Since General Powell took office about 4½ months ago, he has blazed that trail in what have been tumultuous times, and I have every intention, if confirmed, to follow his lead in close consultation with the service Chiefs and the unified commanders. That is absolutely necessary if we are to be successful in our task.

I think General Eisenhower probably said it best in the motto chosen for the Armed Forces Staff College. That slogan is "That all may labor as one."

Those who labor today in the Armed Forces are the men and women, Active and Reserve, who serve in our Armed Forces. They are an absolutely essential ingredient to assure the supremacy of our military forces.

Our officers and enlisted personnel are superb and the envy of every other nation around the world. They are intelligent, they are caring, they are self-starters who are willing to jump in and do the work at hand. As Senator Warner alluded, together with their families, they make a significant contribution not only in the military role, but also in the civilian communities in which they live.

You heard Secretary Cheney and General Powell say those same words, and I know from prior discussions with members of the committee that there is considerable concern about the impact of the reshaping of our Armed Forces upon those volunteers who constitute our career force.

As we necessarily restructure that set of Armed Forces to reflect the changing world conditions, I think all of the senior leadership in the Department of Defense is acutely aware of the impact those changes may have on our people.

I pledge to do the very best that I can to meet our obligations to our people while preserving a strong military capability.

Mr. Chairman, I look forward to a close and candid relationship with the members of this committee in the quest to insure the security of this great Nation of ours. I will do my utmost to answer your questions now and in the future—a future that is at the same time less clear and more hopeful than we have seen for decades.

Thank you very much, sir.

Chairman NUNN. Thank you very much, Admiral.

My first question is on the Goldwater-Nichols Act.

What are the major challenges that you believe still are to be met in implementing that act?

Admiral **Jeremiah**. I think we have come quite a long way, now, in implementing Goldwater-Nichols. I think we see that there is some "tweaking" to be sorted out with respect to professional military education, and that dialogue is going on with the Congress at this time.

I think General Herres has suggested to this committee in his last confirmation hearing that we might look at the timing of the change of the Vice Chairman. But, in the main, we seem to have progressed quite well.

I think I made mention in my answers to your questions that we want to look closely at the interaction of Goldwater- Nichols with the Defense Officer Personnel Management Act because some of the things that are necessary to comply with Goldwater-Nichols necessarily extend the time of some of our officers and their availability for promotion to the point that you start bumping up against some of the limitations in the Defense Officer Personnel Management Act.

We have made progress in the intervening years since the enactment to change some of those requirements, and I think that that has worked quite well.

I don't believe substantial change is necessary now. I think that we have come most of the way toward doing what is necessary to implement the act. I know that the services have worked very hard to try to comply with the requirements for joint service, the length of joint service, and the professional military education.

Chairman **Nunn**. Admiral, have you had a chance to talk to General Powell about your specific duties? Do you have an understanding or a general understanding about how he is going to approach this and what assignments he will want you to carry out, of course, all under the direction of the Secretary of Defense?

Are there going to be any major changes in the way you operate with General Powell and the way General Herres operated with Admiral Crowe?

Admiral **Jeremiah**. I think that one will evolve over time, depending upon how we fit and the skills each of us has. His are superb in European matters and strategic things; I have some expertise in the programmatics, which would lead you to believe the allocation of effort would fall along the lines we have seen in the relationship between General Herres and the previous Chairman.

But that is a determination General Powell is going to work out as we move through the process of getting into harness and working together.

I obviously have the statutory responsibilities, as in the Nuclear Weapons Council, which the Vice Chairman satisfies, and the administrative assignments inherent in the JROC and the Defense Acquisition Board, and substituting for the Chairman from time to time with the DPRB.

Chairman **Nunn**. The law provides that the Vice Chairman "outranks all other offices of the armed services except the Chairman."

I have two questions. Do you understand that provision? Second, how do you intend to relate to the other Chiefs?

Admiral **Jeremiah**. I understand the provision, and I think the relationship with the service Chiefs and the unified and specified commanders has to be one of consultation, so that they have a voice in the affairs that go on within the deliberations in the Department of Defense; that they are apprised of what is happening so we can get the value of their judgment; but, ultimately, the responsibilities rest with the Chairman and his staff to provide the advice and counsel to the President and the National Security Council and the Secretary of Defense.

If the service Chiefs have a view they feel so strongly about that they feel they want to carry it forward, obviously the act provides for them to do that. I understand that.

Chairman **Nunn**. Admiral, do you agree, if confirmed for this position, to appear before this committee and other appropriate committees of the Congress, and, when asked, to give your personal views, even if those views differ with the administration in power?

Admiral **Jeremiah**. Yes, sir, I do.

I would also caveat that that I would work very carefully to be sure that they are in synchronization with the Chairman, who has the ultimate responsibility and with whom I act and support.

Chairman **Nunn**. But you are willing to give your personal views when asked for your personal views?

Admiral **Jeremiah**. Yes, sir.

Chairman **Nunn**. Thank you. Senator Warner.

Senator **Warner**. Thank you, Mr. Chairman.

On the question of the Goldwater-Nichols Act, the Chairman was quite correct in observing not only today but at other times that the Grenada Operation, in contrast to the Panama Operation, reflected some of the advancements we have made with the Goldwater-Nichols legislation.

The questions which were put forward by the Chairman probed what further refinements, based on experience, we might make to that piece of legislation. But, as the Chairman and I learned when we went to Panama—though possibly he knew it beforehand and perhaps I didn't—contrary to what many people believe, we do not have joint headquarters at the operational level.

Every time we execute a contingency operation, such as Grenada or Panama, we are forced to create, sometimes on very short notice, some type of ad hoc headquarters.

Do you have any views on that now? Perhaps if you don't, you would consider them over a period of time and supply them for the record.

Admiral **Jeremiah**. Senator, when we recently had the experience in the Manila coup attempt a month or so ago, we, in fact, did exercise in the Pacific—and I can only relate directly to my Pacific experiences—but we have standing joint task forces in certain areas, including the Philippines. That joint task force was activated. It happened to be the Air Force General in command of Clark Air Force Base. He became the Joint Task Force Commander. He was augmented by a Special Operations Force sub-element flown in from CINCPAC, from the SOCPAC headquarters, by Marines from the Seventh Fleet, CTF-79, who happened to be there and associated with a different exercise, and by some additional augmentation forces we flew in from Honolulu from Admiral Hardisty's staff.

As you may or may not know, Admiral Hardisty happened to be in Washington at the time, so that he and General Powell were seated side-by-side in direct communications with both the Ambassador and the Joint Task Force Commander in the Philippines.

I was the Naval Component Commander. But, for all practical purposes, the line of communication went from the President who was en route to the Mediterranean, to the Secretary of Defense, the Chairman, and Admiral Hardisty, direct to the Joint Task Force Commander. It worked well. It can work better, and we are giving some consideration to forming some permanent cadres of JTFs.

For instance, in the Western Pacific, the Seventh Fleet Commander has a large staff suitable for dealing with contingencies which, with appropriate augmentation from other forces, could be converted to a Joint Task Force when required.

That condition exists, as you may know, in the Atlantic today, in JTF-140, in the Atlantic Command, in which the Second Fleet is also the JTF Commander.

So we do have some standing joint task forces about the world, and those tend to work quite well. They are formed for a specific purpose, to accomplish a specific objective.

Senator **Warner**. I think we need to look at this thing on a continuing basis. Sometimes, when things like that fall together very quickly, it is by virtue of the phrase you borrowed from Admiral Crowe. I copied it down and am going to use it for myself: "Where you stand sometimes depends on where you sit."

They just happened to be sitting in the right seats and made that work. But I am not so sure every operation contingency can be that fortunate to have the right people at the right time in the right seats.

Let me turn to what concerns me a great deal. You and your family have spent 25-plus years in the military. Now, fortunately, our nation sees a world which is becoming, in many respects, more peaceful. We are going to have some curtailment here, and this committee has a great concern about the welfare of the men and women of the Armed Forces as we do a reduction of our force levels.

I am not predicting where that will come out, but what guidelines can you give to our committee as we begin to look at how we go about reducing the force levels, so as to cause minimal impact on the individuals who have devoted their careers here?

I can foresee a situation where we are going to literally have to terminate contracts, valid contracts. I don't know whether it is going to require special legislation or what is going to take place.

Admiral **Jeremiah**. I believe that there has been special legislation forwarded to the committee, or if not, then it is en route, potentially dealing with that kind of problem as force structure changes.

Senator **Warner**. Well, why don't you give a little thought to that if it doesn't come readily to mind.

Admiral **Jeremiah**. I think basically what we have to recognize is that we are dealing today with a volunteer force and a career force.

Senator **Warner**. Yes, that's important.

Admiral **Jeremiah**. That is quite different from other periods of time, where we had dramatic changes in numbers.

As you recall, when you were Secretary of the Navy we went through a similar reduction in officer and enlisted end-strength in the Navy. It was a very wrenching process because the numbers, the career paths, the flow points and the valleys you can create by severely restricted accessions or removing large numbers of people really distort the career force for the next ten to 20 years. So I think we have to be very careful here.

Senator WARNER. Well, people have long memories, and successive generations might not be so anxious to volunteer and dedicate themselves to their careers if we don't handle this very well.

My last point is this.

As I look at the Pacific Rim, where you currently have your command, I see very large concentrations of ground forces, beginning on the West Coast, in a way, with Hawaii, Alaska—oh, you know it better than I. You have staged there large numbers. Obviously there is South Korea. We have the marines in Okinawa.

But I can't find a threat that would pose a challenge such that we would employ a ground force of that size.

Admiral JEREMIAH. We have, obviously, the ground forces in Korea. I think that everyone would agree that Korea remains a very unstable situation.

Senator WARNER. That is correct—because of North Korea.

But there are some threshold questions there, the extent to which we would augment those forces and so forth if we got engaged in a battle. Anyway, we will cover that at another time.

But, absent North Korea, is there another threat in that Pacific Rim region that can justify this large concentration of ground forces?

Admiral JEREMIAH. We have the Sixth Infantry Division in Alaska and the Twenty-Fifth Light Infantry Division in Hawaii; the Third Marine Expeditionary Forces in Okinawa.

Senator WARNER. Now I know where they are and you know where they are. But that is not the question.

Admiral JEREMIAH. I guess my comment would be that Admiral Hardisty argues that that is an economy, that is a theater where we have an economy of forces, and have done a great deal with those relatively minor numbers.

Senator WARNER. I have to deal with the man and woman in the street who are paying taxes. They say Senator, why do we need all those soldiers in that area of the world? They understand the transitions in Europe, the troop reductions, the continuing threat by the Soviet Union, and instability and so forth.

But what is occurring in the Pacific Rim? What could occur in the Pacific Rim that would justify that magnitude of ground forces?

Admiral JEREMIAH. Earlier, you described an elusive threat. I think that that is the world we are dealing with today. It is elusive. But, at the same time, when we briefed Senator Gorton in Hawaii, we put up a chart that had some 25 different areas in the Pacific of conflict going on at that point in time, small conflict, not necessarily involving the United States.

Senator WARNER. Yes, but small conflicts do not require multitudes of divisions and major landing forces.

Admiral **Jeremiah**. I think our Marine Amphibious Forces and Expeditionary Forces provide a great deal of flexibility out there and people recognize it. As we look toward the future, there are going to be adjustments, clearly, in the ground forces in the Pacific, and I think Admiral Hardisty can testify to that.

Senator **Warner**. My time is up, fortunately, or I would press you harder on that one.

Thank you, Mr. Chairman.

Chairman **Nunn**. Thank you, Senator Warner.

I believe Senator Wirth is next.

Senator **Wirth**. Thank you very much, Mr. Chairman.

Admiral, I am pleased to have you here today. I enjoyed our talk of a couple of weeks ago.

Admiral **Jeremiah**. Thank you, sir.

Senator **Wirth**. I would like to pick up on some of the themes that we were talking about when you were in my office and get a little clarification for the record of your approach and your thinking of where we ought to be headed in the area of confidence building and arms control.

As I pointed out to you, I was recently on an Armed Services Committee trip in Northeast Asia, and was very impressed with, on the one hand, the changing nature of the threat, and, on the other hand, the continuing existence of the threat, and the continuing existence being increased modernization by the Soviet Union, the addition of MIG-23s in North Korea, the movement of a helicopter regiment from Afghanistan to just north of Japan, and so on.

On the other hand, the changing nature of the environment is evident, and one example of that is the Soviet pull-out from Cam Ranh Bay. A second is the growing affluence of the South Koreans and their increased capability to take care of themselves. Third, obviously, is a very dramatically changed world environment and a sharply changed relationship between the United States and the Soviet Union.

I note all of that by way of prefacing my concern that on a number of initiatives the United States was not responding to requests by the Soviets for discussions on the threat in the Far East, that we have almost no discussions between the United States Navy and our counterparts in the Soviet Union, and that there is deep resistance in the Navy to even beginning to think about confidence-building measures much less naval arms control.

I don't know if that is the case or not, but I was hoping that you might cast a little light on your ideas as to where we ought to be headed in the area of confidence building and naval arms control, what directions we ought to be heading in, and your thoughts of where we ought to be 5 years from now.

Admiral **Jeremiah**. First, I would like to suggest that we have had considerable dialogue with our counterparts in the Soviet Navy, and that dialogue has gone back for a number of years to the Incidents at Sea Agreements which we initially created with the Soviet Union, with Senator Warner who was then Secretary of the Navy.

That dialogue has served us in good stead over the intervening years, and has, I think, reduced the kinds of tensions taking place at the time. Those were difficult problems in which there was plain and simple miscommunication.

Senator **Wirth**. When did that negotiation for the Incidents at Sea Agreement occur?

Admiral **Jeremiah**. I'm sorry, Senator, but I can't give you the precise time. I would say it was 1973–1974.

Senator **Wirth**. What have we done since then?

Admiral **Jeremiah**. That has been emulated by other nations around the world only in the last several years.

There has been a dialogue at the senior level. Admiral Trost visited the Soviet Union. We will have counterpart visits coming the other way, from the Soviets. I hosted General Yazov, the Minister of Defense, in San Diego for a day, and we had an opportunity to discuss in general terms U.S. and Soviet forces and look at some of our forces in San Diego.

So there has been interaction with the Soviet Union.

With respect to the confidence building measures, most of the confidence building proposals put forth by the Soviet Union have dealt with restricting operations in fairly large ocean areas. We consider that, as a maritime nation, to be a restriction on the freedom of seas and on the freedom of navigation of vessels; and that is to the considerable detriment of the United States without any offsetting gain for us on the part of the Soviet Union.

So far, most of those things which the Soviets have produced as confidence building measures have been pretty well defined to improve their position vis-a-vis us, without any corresponding offers that would have any significant advantage to us.

Senator **Wirth**. What offers have we made going in the other direction, Admiral?

Admiral **Jeremiah**. We have not seen at this time, together with the allies in NATO and most of our allies in Asia, a good reason to proceed with confidence building measures or naval arms control until we have seen progress, more progress, in the things that are going on in the conventional area, in ground forces, specifically, in Europe.

Senator **Wirth**. Let's talk about Asia again.

What efforts have we made regarding U.S. defense structure or the U.S. Navy? Have there been any proposals that have been focused on "transparency" or have taken into account the Soviets' obvious concern about the level of U.S. naval forces in the Pacific?

Why are we tying what we might do on the Navy to conventional arms control on the ground in Europe? What is the need for that kind of linkage?

Admiral **Jeremiah**. I think the first thing I would say is that the focus is on ground forces in Europe because that is where the threat was created, and that threat was a Soviet threat.

In the Far East, our naval forces are there for a variety of reasons that go beyond the Soviet Union. So, if you choose to reduce naval forces in the Far East, you are impacting not just the relationship between the United States and the Soviet Union, but the relationships between the United States, our allies in the Far East, and our relationships with other people in the Far East.

Senator **Wirth**. My time has expired, I know. But you stated earlier that we really should not be making any proposals until we see how the ground situation in Europe works out.

Again, I am not sure that I understand how what goes on in Europe relates to our ability to take initiatives in other places in the world, especially relating to naval confidence building measures.

We were talking about the culture of the Navy in my office, and you pointed out how resistant the Navy is to any kind of discussions about confidence building measures.

I understand that, but I don't think it should necessarily be condoned in this day and age. I think the time has come for us to be thinking a little more imaginatively and to perhaps bring our policy in the Far East a bit more into tune with what is happening elsewhere in the world.

Admiral **Jeremiah**. We are not alone in that.

General Powell, the Secretary of Defense, and the administration have taken the same position but your point is taken, sir.

Senator **Wirth**. Thank you.

Thank you, Mr. Chairman.

Chairman **Nunn**. Thank you, Senator Wirth. Senator McCain.

Senator **McCain**. Admiral, just to follow up, perhaps you can illuminate me. What is the culture of the Navy that is resistant to change?

Admiral **Jeremiah**. Only with respect to arms control, freedom of navigation, and things of that nature, freedom of the seas.

Senator **McCain**. Do you mean the culture of the Navy is resistant to change in all three of those areas?

Admiral **Jeremiah**. No. I think the culture of the Navy believes that those are fundamental values of the United States as a maritime nation, and that we should continue with those values, that they are fundamental and useful things to adhere to.

Senator **McCain**. And that, therefore, means that the Navy is resistant to any change?

Admiral **Jeremiah**. No, sir.

Senator **McCain**. I think that is important.

You may have left either me or Senator Wirth with a strong misimpression and I hope you will do your best to clarify that.

Having spent some time in the Navy myself, I did not detect that culture in the Navy, I might say to my friend from Colorado.

Admiral, what is your view if events transpire as presently foreseen; will there be a dramatic reduction in the threat of any kind of significant conflict in Europe? What is your view, or your concept, of what the United States national security strategy should be?

Admiral **Jeremiah**. I think our strategy should continue to be one of deterrence, to defend U.S. interests, including territory, against a threat; if that threat changes, then we would have to reconsider, as I think we are doing in the Department of Defense, the size and composition of our forces.

We have some fundamental values—protection of our citizens overseas, protection of our commerce, economic interests overseas—in which military forces play a role in U.S. presence and influence, and I think we need to continue that to the degree necessary to assure we have that influence.

Senator Warner referred to the threat as becoming increasingly elusive, but it exists in the form of small and medium-sized conflicts in which U.S. interests may be challenged and in which it may be necessary to deploy some U.S. forces.

Senator McCAIN. Then what kind of forces and what kind of force structure do you foresee our military composed of in order to meet the strategic requirements and the threat that you just described?

Admiral JEREMIAH. Without getting into the service composition, because I don't think I am prepared to do that at this stage, I think it is fair to say that what we want are mobile forces, with flexibility, sustainability, and heavy firepower when and if required. By heavy firepower, I am saying more than a single weapon, so to speak. We want to be able to put forces in place, if necessary, and support them with endurance and with the necessary weapons systems so that they can prevail quickly, so that we can mass forces and prevail quickly.

Senator McCAIN. If you have rapidly deployable forces, isn't it difficult to make them heavy?

Admiral JEREMIAH. "Heavy" being a relative term at this point, as far as I am concerned. I think, as an example, Marine expeditionary forces have endurance, sustainability and firepower, and can be brought to bear against a problem at a particular point in time.

If that becomes a larger thing, then you have to begin carrying sealift and airlift to go in and sustain a larger kind of force.

Senator McCAIN. The strategy that you described to me, at least the description as I understand it, is the traditional maritime strategy that the United States employed up until 1945, or 1942—the ability to quickly respond to contingencies with light, rapidly deployable forces. Is that accurate?

Admiral Jeremiah: The characterization of the forces, together with strategic forces that defend ourselves against the one nation in the world that probably now has the capability to do us mortal damage, is the direction in which I would see us moving. Yes, sir.

Senator McCAIN. I am concerned about the military net assessment and its release in both classified and unclassified form.

As you know, it was required by law; but so far, it has not been forthcoming in a timely fashion. Intentionally, this committee requested that it be submitted at the time of budget submission so we could balance that assessment against budget requirements.

Do you have any hope for getting that done in accordance with the law?

Admiral JEREMIAH. Sir, my understanding is the Chairman has forwarded it to the Secretary of Defense. I believe it is in final staffing, and it should be here very soon, as I understand it. I believe the Chairman so indicated to the committee when he reported on the first of February.

Senator McCAIN. So you have some confidence?

Admiral JEREMIAH. I have some confidence that the train has left the station, sir.

Senator **McCain**. I understand that it is no small task. But I don't see how, particularly in this rapidly evolving environment in which we find ourselves, we can make any budgetary decisions other than proportional service cuts—which I do not think is in the interest of this country or our defense—without some kind of threat assessment.

Admiral **Jeremiah**. I have only briefly seen the document on its way by. But I think it is a net assessment, and net assessments tend to cast things up in a way so that I don't know that they will define as clearly as all of us might like a threat, such as the one we have had for the last 40 years.

Senator **McCain**. My time has expired. Thank you, Mr. Chairman.

I have some additional questions that I would like to submit for the record.

Chairman **Nunn**. Without objection, they will be part of the record. We will forward them to the Admiral for his response. Senator Exon.

Senator **Exon**. Mr. Chairman, thank you very much.

Admiral, welcome. I am delighted to see you here.

Admiral **Jeremiah**. Thank you, sir.

Senator **Exon**. I am pleased with the nomination that the President has made, and I predict that you will be promptly confirmed by the committee and the Senate as a whole. We will be looking forward to working with you on many of these things that we have in common, as we make the changes that are going to be made.

First, let me ask you if you could bring the committee up to date on something that has not been asked, at least publicly, I suspect, for some time.

Since our submarines, especially our boomers, are such a key and integral part of our deterrent, is there any late information about any significant change, that you can talk about publicly or, more importantly, is there any intelligence that indicates that the Soviets are making any significant improvement with regard to precisely locating submarines? If that would ever become a problem which we have, you know, worried about for a long time, it could significantly alter, I would suggest, the high reliance that we place on the Tridents.

Has there been any breakthroughs or rumors of breakthroughs of a recent nature in that area?

Admiral **Jeremiah**. Rumors abound. Substantive breakthroughs, to my knowledge I see none, and no projections of any substantive breakthroughs that would change the nature of our capability.

Senator **Exon**. A follow-on question with regard to the D-5.

I think one of the success stories that has not been told—and we have plenty of tales about unsuccessful stories and happenings—concerns the D-5. Two of the first D-5 underwater tests failed, and I believe it was in October of last year that the Navy came in to see me and we had a long discussion about the relatively simple fix that they had come up with. They were confident that they had this problem licked, and said that the tests would start on December 3 or thereabouts.

The tests did start on December 3, and there was one small article in the paper that the tests were successful.

I believe that there have been several tests since then, and the relatively minor fix that was promptly designed by the Navy and the contractor evidently has solved any problem whatsoever with regard to our launch abilities underwater of the D-5.

Is that right?

Admiral **Jeremiah**. That is my understanding also, Senator. We are back on track and on schedule.

Senator **Exon**. How many tests have there been? Do you know?

Admiral **Jeremiah**. I think we have had four from Tennessee subsequent to the first problem. I think that is correct, but I would like to provide that for the record to be sure that it is accurate.

[The information follows:]

As of February 22, 1990, there have been a total of nine underwater tests conducted, the two unsuccessful tests you mentioned plus seven successful tests.

Senator **Exon**. Have the D-5 missiles that we had accepted delivery on been all fitted with the minor corrections that were necessary?

Second, I assume and want you to verify that now the follow-on production models have been approved with the new fix, and it all seems to be working well, both from the standpoint of fixing it online and making the necessary adjustment to the ones that we had accepted.

Admiral **Jeremiah**. I believe that to be the case.

Again, let me provide that for the record, if I may, sir.

Senator **Exon**. All right.

[The information follows:]

As of February 22, 1990, all D-5 missiles have been fitted with the minor corrections you mention.

Senator **Exon**. Now let me ask you about another area.

I am sure you are familiar with the fact of the President's budget request for $112 million for the Follow-on to Lance. What is your view of that?

Due to the limited range of the Lance, it would have to be placed on West German soil to be very effective, and even at that, it would only basically cover East Germany, which now seems to be more a part of West Germany than it was a part of the Soviet Union or the Communist empire before.

Given that, there are some thoughts here that that $112 million might well be spent better elsewhere than on the Follow-on to Lance. What do you have to say about that?

Admiral **Jeremiah**. I am aware of the discussions that General Galvin and others have had with this committee on that subject.

Not having had direct experience with the Follow-on to Lance system, I think I would have to beg the question to some degree. I recognize the points you have made, and they are taken. But I am not familiar enough with the subject, other than to recognize that we are trying to provide a spectrum of capability and modern capability in our weapon systems, which would include a ground-based nuclear capability.

Senator **Exon**. Switching then to another subject, I keep asking about the Subic and Clark Bases.

Can you tell us what the Chiefs are thinking about this? Can you tell me how much advance planning is currently being done by the

Navy if we should find ourselves in a position of not being able to continue that extremely important base, forward base, that the Navy has had at Subic for a long, long time?

I hope we can get that worked out. I am getting increasingly concerned about what is going on in that particular area.

How much advance planning are we going to do and how quickly would we be able to establish some other facilities in the area, and where, if that necessity should arise?

Admiral **Jeremiah**. If something like that became necessary, I think we would want to be able to move, and certainly it would depend to some degree upon which facilities we are talking about. As an example, in the Far East today, there are in Singapore repair facilities that would be suitable for hull, mechanical, and electrical repair, but not suitable for electronics and classified repair because of foreign nations.

Moving magazines and supply depots would be a more complex problem. We have in the Navy only a few forces permanently home-ported in Subic, one cruiser and a few associated small craft. Those could be redeployed in the Far East quite readily.

The Air Force at Clark would have to redeploy those forces to other areas, and we are looking at those options and have been for some time. So I think the planning is going on apace in the event that contingency arises.

The most difficult problem will be to provide training facilities for our people in the ranges we have in the Philippines and the maneuver areas we have for ground troops. Those training areas are not readily available in other parts of the Far East.

Senator **Exon**. I would assume that Guam would be the likely place that we are looking at. We have discussed that in open session previously.

Is there a possibility, have we thought about or done any studies, done any surveys, on whether or not in the eventuality of moving to Guam we could attract some of that excellent Filipino operational forces that I understand—and I keep hearing this when I am at Subic—that there is nobody anywhere in the world who are better than they are at that task?

Have we thought of a possibility of having some of those people, of paying them to move to Guam? Is that a possibility?

Admiral **Jeremiah**. As for repair capability, repair forces, the ship repair facility in Guam even now has some augmentation from time to time by Philippine ship repair facility workers, from the ship repair facility in the Philippines.

You are quite right that many of the nations of the Middle East, particularly around the Persian Gulf, look to the ship repair facility graduates for their skilled ship repair workers. But I think that would be a decision that would have to be discussed between the administration and the Congress if that sort of eventuality finally came to pass, as to whether that would be the course of action this country would want to take with respect to having Philippine workers exported to U.S. territory.

Senator **Exon**. Thank you, Admiral. My time is up.

Thank you, Mr. Chairman.

Chairman **Nunn**. Thank you, Senator Exon. Senator Thurmond.

Senator **Thurmond**. Thank you, Mr. Chairman.

Mr. Chairman, in order to save time, I ask unanimous consent that my statement be included in the record.

Is that acceptable?

Chairman NUNN. Yes, sir. Without objection.

Senator THURMOND. Thank you.

[The prepared statement of Senator Thurmond follows:]

PREPARED STATEMENT OF SENATOR STROM THURMOND

Thank you Mr. Chairman:

I join you in extending a warm welcome to Adm. David E. Jeremiah, the President's nominee for the position of Vice Chairman of the Joint Chiefs of Staff. I met with Admiral Jeremiah earlier this month, and I am confident that he has the qualifications to follow General Herres, the first officer to hold the title of Vice Chairman.

Admiral Jeremiah, I want to congratulate you on your nomination. Your exceptional experience as a naval officer and as Commander of the Pacific Fleet makes you an ideal deputy to General Powell. I believe that the partnership which will be formed between you and the Chairman of the Joint Chiefs of Staff fully supports the intent of the Goldwater-Nichols Act, which established the Vice Chairman position.

Admiral Jeremiah, I will be pleased to support your nomination and wish you the best of luck as you undertake this challenge.

Thank you Mr. Chairman.

Senator THURMOND. Admiral, former Secretary of Defense Carlucci indicated this morning that the bomber counting rule is key to the Joint Chiefs of Staff endorsement of START. He implied that if we do not fund the B-2 program, the Chiefs may well request a reformulation of our negotiating position.

Would you care to comment on that and would you agree with that assessment?

Admiral JEREMIAH. My reading of the testimony by General Powell and others has been consistent with that position. He felt that the Joint Chiefs would have to look at the negotiations under those circumstances, and I believe he stated that it would be unlikely that you would see a treaty here to look at in the Senate in the event that the rules are changed.

Senator THURMOND. Admiral, as the former Commander of the Pacific Fleet, would you tell us what impact the discussion over the future size of the Navy is having on the morale of the men and women assigned to the fleet?

Admiral JEREMIAH. First, let me say that the morale of the men and women in the Pacific fleet and, I believe, throughout the entire Navy and Armed Forces is extraordinarily high. They know that the citizens of the United States support them. They have seen that support expressed in a number of different ways.

I think they are concerned to some degree as they see the force structure changes coming about and the dialogue that may lead to such force structure changes as to their particular future. But I have seen no impact on the morale of our people today.

Looking at it from a purely Navy perspective, Admiral Boorda, the Chief of Naval Personnel, has made a very conscientious effort to provide as much information and assurance as possible to the Navy enlisted members and officer community so that they know what is coming, what they can expect, and how to react to it.

Senator THURMOND. Admiral Jeremiah, as the Defense Department is planning on reducing its force structure, there have been some indications that the mission of the Reserve forces may change.

I have been told that the Army is contemplating changing the mission of the Reserves from being an equal partner in meeting contingency requirements to requiring them to reinforce and sustain operation of the active forces after a certain period of time.

I do not expect you to be aware of these proposals. However, I would like to hear your philosophy on what mission our Reserve forces should have in the coming years.

Admiral **Jeremiah**. I think it has to be a very complete and positive contribution to the armed forces. Our experience has been that the Naval air forces and surface forces have been superb. We deployed surface forces in support of an exercise that lasted some 6 or 8 weeks, rotating crews three different times on the ship, on four ships. It worked superbly. Our Reserves in the Air National Guard, the Air Force Reserves, and the Naval Air Reserves have been excellent.

I think it has been noted in testimony here that in many cases those Reserve units out-perform Active units.

There are times when I think we have to be careful that we understand the shape of forces so that we have Reserve and Active elements coupled all the way through, so that when we have a requirement for a capability, we don't only have that capability in the Reserve forces; that there is some element in the Active forces as well.

As an example, we had combat SAR requirements when we were conducting operations in the Gulf of Sidra, and we used Naval Reserve elements to support us then. We had to bring them on active duty, bring them to the Gulf of Sidra, and then release them from active duty. That is disruptive to them as individuals. They were patriotic citizens, perfectly willing to perform, as they did and they did so superbly. But it would have been helpful if we had had some of that capability in the Active force.

On the other hand, for things such as large mobilization, where you have to have sustained performance and a command center 24 hours a day, many of our command centers are not organized for global war that way, and our Reserve forces provide the great bulk of the command center watch standers and people who really have the capability to perform there.

Senator **Thurmond**. As the regular forces are reduced, I would imagine that many of the very competent, Active members will want to join the Reserves, don't you think so?

Admiral **Jeremiah**. I hope so. Yes, sir. I hope so.

Senator **Thurmond**. Admiral, we have all heard about the planned reductions in our force structure. As the Department of Defense established the number of enlisted and officer billets that will be reduced, have there been any discussions on the number of general and flag officer spaces that can be eliminated? If so, how many?

Admiral **Jeremiah**. I have no knowledge of that, sir. I am unaware of that.

Senator **Thurmond**. I think my time is about up.

Admiral, I just want to say that you have a fine record and I think you will serve in this position as Vice Chairman with honor and distinction. It would be my pleasure to support you.

Admiral **Jeremiah**. Thank you very much, Senator.

Senator **Thurmond**. Thank you, Mr. Chairman.

Chairman **Nunn**. Thank you, Senator Thurmond. Senator Lott.

Senator **Lott**. Thank you, Mr. Chairman.

I wanted to stay to have the opportunity to congratulate you, Admiral Jeremiah. I know in looking over your credentials that you are going to do an excellent job as Vice Chairman of the Joint Chiefs.

But I see one little flaw in your background. Your experience with destroyers is highly commendable. But I don't see any evidence that you ever served in Pascagoula, Mississippi.

Were you ever there with your destroyer?

Admiral **Jeremiah**. Very briefly, sir, on Mobile Bay on the way up.

Senator **Lott**. I just want to congratulate you and commend you. We are looking forward to good work from you and to working with you.

I have just one question that is kind of current which has been talked about in the last couple of days.

You are going to be involved with the acquisition process, certainly to a certain degree, and the issue of concurrency has come up in the last few days for some problems or some accusations with regard to how it has worked. It has been a part of the process in recent years.

What is your comment on how it has worked and what we are going to do with it in the future?

Admiral **Jeremiah**. I think there is a good deal of discussion on concurrency.

I think you have to decide what it is you are talking about when you are trying to design a weapon system, if it is a specific thing that you have not ever designed or worked with before. When you move into production rapidly, you probably want to have a very good look at that before you move up.

But if you are talking about a ship, where you have an aggregation of proven kinds of things, then it seems to me that that sort of weapon system, as you put those different capabilities that have been proven together in one place, to then describe that new system as needing a full stretch and operational test would disadvantage us in terms of delivery of weapon systems into the fleet—certainly in the case of ships. Operational evaluation of a new carrier, for instance, and then deciding to go on to follow-on production I think would not be in the best interests of the country. But other kinds of weapon systems, a fire control system or something like that, you probably would want to take a good look at it before you would want to move on into serious production.

So I think it is the individual situation.

Senator **Lott**. I do not want to put words into your mouth, but I think what I hear you saying is that maybe in the future we will not be as driven by time, perhaps, as we have been at other times in our history and there will be perhaps more time to look at some of these problems. But there are many instances when concurrency serves the benefit of the country, or the Navy. You are able to move quicker. There are time savings, and there is no need to have redundancy on everything that you do. There are just certain sophisticated areas where perhaps you need to test it out completely before you go forward with it.

Is that a fair statement?

Admiral JEREMIAH. Yes, sir. And I would go on to say that one of the things you have to look at is the requirement statement: what is it you are really asking somebody to do.

I think that the formulation of the JROC, of the Vice Chiefs of each of the services, with the Vice Chairman and the Joint Chiefs, has put some backbone, if you will, into the statement of requirements: why do we need this, what is it going to give us, and what is the specific capability you have to have?

When you get the requirements defined in a more complete way, I think that the potential to deliver a system that can meet those requirements is much better. I think we have to look very realistically at requirements.

Senator LOTT. Thank you and good luck.

Admiral JEREMIAH. Thank you, sir.

Senator LOTT. Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator Lott.

Admiral, I have just a few more questions.

In your written response to my advance questions, you stated, "If confirmed, I will lead the Joint Requirements Oversight Council in a ground floor examination of the systems we need to implement our military strategy."

Could you explain to the committee what you mean by a "ground floor examination?"

Admiral JEREMIAH. I looked at those words this morning and thought I might have said that a little bit better.

Chairman NUNN. Oh, I like it myself. [Laughter.]

Admiral JEREMIAH. What I am really saying is the world has changed here, even in the very short period of time that General Powell has been the Chairman. We need to go back and look at the requirements documents that are on the street and decide whether those things that were needed a year ago or 2 years ago still have the same requirements in terms of the weapon system or the capability, the numbers—although that becomes a program decision ultimately--and the required operational capability. How many G's does it have to withstand? What kind of speed does it have to have? How sophisticated does it have to be—as we look at what is essentially a changing world and threat.

That is what I would envision.

Chairman NUNN. I think that is going to absolutely have to be done, and if it is not done by the Pentagon, and if it is not done with credibility by the Pentagon, it will be done over here with everybody having their own analysis.

Admiral JEREMIAH. Yes, sir.

Chairman NUNN. And by a majority vote.

I think that it would be much better if we have a ground floor reexamination in the Department of Defense at a high level. So I congratulate you on that. I think that is an excellent suggestion.

I think I would include in the examination questions of new weapon systems that have not yet gone into production and whether we need to go into production on them now or whether we can keep the research and development in a ready state so that we could go into production on them if need be in the future, some sort of contingency plan on certain modern systems. I am sure there are other systems that we need to go ahead and build now. But I believe that kind of analysis has to be done, and I hope that it can be done, that some of it can be done in the next 3 to 4 months. This is because between now and the time we have this bill on the floor of the Senate, much of that information, even if it is just an informal advice pattern, would be enormously helpful to this committee.

So I hope you will keep us "tuned in" as you proceed in this respect.

Admiral Jeremiah. Yes, sir.

Chairman Nunn. Have you talked to General Powell about that?

Admiral Jeremiah. I have not.

Chairman Nunn. One of the specific tasks assigned to General Herres by the Chairman with approval of the Secretary of Defense and which presumably will also be assigned to you reads as follows: "Assisting CJCS in the tasks associated with reviewing war plans and more closely coupling military strategy and resources."

I happen to believe this may be one of your most important tasks, and that is particularly true in a period of declining resources and changed threat assessment.

Could you tell us a little bit more specifically what process you will go through in assisting the Chairman to closely couple military strategy and resources?

Admiral Jeremiah. I think the joint planning process has helped in that respect. I think we are going to have to look at how rapidly we accommodate ourselves to changes in the world. So I think one of the first things we need to do is to look at our planning process itself. I don't think it is necessarily broken. But it does need to have some examination in terms of our ability to respond in a timely way to the changing events around us.

I think events have changed so rapidly in the last few months that any orderly planning process is going to be somewhat frustrated by the things that have happened.

The other key ingredient I think has to be the general description of what our resources are, some agreement as took place perhaps in years past to come together on a general agreement or understanding of about where we think the resources that are available to the Department of Defense are going to fall out. I realize that is a very difficult problem to deal with right now.

There has to be I think a look at how rapidly things are required. The subject of warning has come up a number of times in front of this Committee. I think that the kinds of things that you have to buy in order to carry out your strategy with a campaign plan may very well change when you see a difference in warning time. The things that were necessary to move forces or preposition forces could change, and you could use a different approach to getting at things. Those are some of the problems.

Chairman NUNN. I agree with you completely. That is the reason I have taken exception to statements that have been coming from the Pentagon that we were not going to adjust our warning time in terms of our planning process until after CFE, when there is a joint intelligence assessment that has already adjusted that warning time. After CFE and after all of the events in the fall, there is going to be a whole, other assessment.

But it seems to me, when you have a joint intelligence product that everyone signs on to and everybody says they think this is a correct assessment now, we ought to try to plug that into the planning process and budget process and strategy process as quickly as possible.

Admiral JEREMIAH. Yes, sir.

Chairman NUNN. Admiral, thank you very much. I don't think you are going to have any problem whatsoever getting confirmed by this committee. You have an outstanding record, and I am sure that you and General Powell are going to be a good team in leading our Nation's defense forces. We are proud to have you there. We are thankful to you for your dedicated career and we wish you well. We also wish your family well, and we are delighted that they could be here today on this most important day in terms of our Nation's security.

Senator Dixon has a prepared statement that he wishes to have included in the record.

[The prepared statement of Senator Dixon follows:]

PREPARED STATEMENT OF SENATOR ALAN DIXON

Mr. Chairman, I am pleased to be here this afternoon to support Adm. David E. Jeremiah's nomination to be the Vice Chairman of the Joint Chiefs of Staff.

I have reviewed Admiral Jeremiah's answers to the questions on selected defense policy issues submitted to him by the committee on January 9, 1990. His responses to these questions indicate that he is willing to cooperate fully with the Congress in our joint objective of a strong, efficient national defense.

Admiral Jeremiah has demonstrated throughout his career that he has remarkable judgment on complicated matters. I believe that the Admiral will be an excellent Vice Chairman of the Joint Chiefs of Staff.

Thank you, Mr. Chairman.

Chairman NUNN.Admiral Jeremiah, thank you very much.

Admiral JEREMIAH. Thank you, Mr. Chairman, and I thank the members of the committee for taking the time.

[Whereupon, at 3:57 p.m., the committee adjourned, to reconvene upon the call of the Chair.]

[Prepared questions submitted to Adm. David E. Jeremiah by Senator Nunn prior to the hearing with answers supplied follow:]

COMMANDER IN CHIEF,
UNITED STATES PACIFIC FLEET,
FEBRUARY1, 1990.

Senator SAM NUNN,
Chairman, Committee on Armed Services,
U.S. Senate, Washington, DC.

DEAR SENATOR NUNN: Thank you for your personal best wishes on my nomination to serve as Vice Chairman of the Joint Chiefs of Staff. I am available at your call as the Committee's schedule requires. As I understand it, hearings are tentatively planned for the afternoon of 22 February.

Enclosed are my responses to your questions on selected defense planning and management issues from your letter of 9 January.

Sincerely,

DAVID E. JEREMIAH, *Admiral, U.S. Navy.*

Enclosure.

DUTIES

Section 154 of Title 10, United States Code, provides that the Vice Chairman performs such duties as may be prescribed by the Chairman with the approval of the Secretary of Defense. The duties prescribed for General Herres, the first Vice Chairman, were heavily weighted toward participation in the deliberate planning and resource management processes and related areas.

Question 1-1. Do you believe that the specific assignment of responsibilities that were prescribed for General Herres are appropriate for the Vice Chairman?

Answer. Yes, I believe the responsibilities assigned to General Herres appropriate.

Question 1-2. If confirmed, do you expect to be assigned the same duties?

Answer. While the detailing of my specific duties is General Powell's prerogative with the approval of the Secretary of Defense, he has given me no reason to expect otherwise.

Question 1-3. Should you be confirmed as Vice Chairman, what "other duties" do you expect General Powell and Secretary Cheney will prescribe for you?

Answer. I do not believe it appropriate for me to speculate on what duties General Powell or Secretary Cheney might prescribe for me beyond those assigned to General Herres. If confirmed, I will consult with the Chairman to determine if there are additional duties he or Secretary Cheney intend to assign me to assist the Chairman in carrying out his considerable responsibilities.

Question 1-4. What are the areas you believe need the most emphasis at this time?

Answer. Given the rapidly changing world and declining resources allocated to national defense, I believe the major challenge to the Vice Chairman will be to help the Chairman, the combatant commanders, the Secretary of Defense, and the President shape the Armed Forces of the United States to support our national security strategy. The Joint Chiefs and the United States must balance, with some appropriate surplus of power in reserve, our commitments and military power. That process must recognize and be consistent with (1) our national security interests, (2) the changing geostrategic environment, and (3) the changing consensus on resources.

Closely associated with the changing consensus on resources is how we husband them. The acquisition process requires attention, and Secretary Cheney has already made public his plan to address that concern. Other adjustments will also be necessary in force structure and support functions to accommodate new global realities.

Finally, based on my experience over the last 2½ years in command of operating forces, I believe we must continue to take care of our people. Good people make things happen. They make a more significant difference than our new weapons systems and will provide the winning margin in any conflict or crisis. In view of increasing competition from the private sector for a decreasing manpower base, we must continue to attract and retain people like the bright, enthusiastic and incredibly hard working men and women who serve in our Armed Forces today. To do this, they must be assured of a decent quality of life, an adequate wage, and competent leadership as we re-shape our military forces. If we and the American people cannot assure them that we value their service, those very same bright, enthusiastic and incredibly hard working men and women will seek employment elsewhere.

WAIVERS

Title 10 of the United States Code establishes certain requirements, subject to a waiver, for an officer to be appointed by the President as Vice Chairman of the Joint Chief of Staff. Specifically, the Vice Chairman must have the joint specialty and must have served in at least one joint duty assignment as a general or flag officer. The main purpose of these requirements is to ensure that the individual chosen for this critical position is particularly trained in and oriented toward "joint matters."

Question 2-1. Do you meet these requirements or will the President have to exercise his authority to waive any of these requirements?

Answer. The President has elected to waive the requirements for service in a full tour of duty as a flag officer in a joint duty assignment. As provided for in the Goldwater-Nichols Act, the President considers my tour of duty as the Executive Assistant to the Chief of Naval Operations as a joint duty assignment. That position, in which I actively worked a wide range of joint issues with members of the Joint, service, and interagency staffs, was then considered to be a joint equivalent assignment and, as such, I was designated a joint duty specialist on 9 June 1988. Coupled with earlier joint duties, this flag experience expanded my insight into joint matters as well as the workings of the joint arena.

Question 2-2. If a waiver is required, what steps do you plan to take to enhance your knowledge of and orientation toward "joint matters"?

Answer. First, I began to broaden my understanding of joint matters immediately upon assuming command of the Pacific Fleet. One of my first trips was to Tampa, Florida to visit Central Command's headquarters. In General Crist's absence, I met with the Deputy Commander, then Lt. Gen. H. T. Johnston, to ensure that my forces operating under CENTCOM's control in the Persian Gulf were responsive to CENTCOM's needs. During the remainder of my tour as CINCPACFLT, I visited with other combatant commanders to insure the efficient integration of our respective forces. These visits included substantive discussions with General Piotrowski's staffs at NORAD and SPACECOM headquarters in Colorado and General Chain's staffs at SAC and JSTPS at Offutt AFB in Omaha. In other trips to Tampa, I met with General Lindsay at the Special Operations Command headquarters and General Schwarzkopf after he had taken over as CINCCENT. I also made it a practice to meet with Admirals Baggett and Kelso as CINCLANT, and Gen. H. T. Johnston in his current capacity as commander of the Transportation Command.

The requirements of my job as the naval component commander for USCINCPAC demand that I work closely with the principal subunified commanders in the Pacific—General Menetrey in Korea, Lieutenant General Davis in Japan and Lieutenant General McInerney in Alaska. While I have not had the opportunity to visit with General Thurman at SOUTHCOM or General Galvin at USCINCEUR, I have operated in both of those theaters, particularly in Europe. I have seen the service Chiefs regularly either in Pearl Harbor or during visits to Washington. In sum, I believe I am well acquainted with the requirements of the various unified and specified commanders.

Second, Admiral Hardisty closely coordinates actions with his staff and component commanders so that component commanders are virtually a part of his personal staff. As an example, I was principally responsible for devising, planning and executing the largest joint and combined exercise ever conducted in the Pacific—PACEX 89. Those responsibilities gave me a great deal of insight into the operations, mobility and capabilities of joint and combined forces. Moreover, each of the component commanders was intensely involved in PACOM actions during the Manila coup attempt and the successful operation of the joint task force created to direct U.S. military activities.

Finally, in addition to this established background, my command and management style is open and, I believe, conducive to an efficient and open exchange of ideas. If confirmed, I will consult with the Chairman and combatant commanders to ensure I present a joint perspective on the important issues we face in the future.

Question 2-3. How can you assure this committee and the members of the joint community of your commitment to "jointness"?

Answer. I believe my commitment is documented in my previous response. As an officer of the Armed Forces of the United States, I am committed to serve this Nation under the laws set forth by its civilian authorities—being committed to "jointness" is one of my responsibilities as an officer.

QUALIFICATIONS

During his confirmation process, General Powell stated with respect to the qualities and expertise that would be important in the selection of a Vice Chairman that "I would look for an officer with solid operational experience and a sound understanding of the acquisition system."

Question 3-1. Would you explain how your background and expertise suit you to meet the requirements laid down by General Powell for the position of Vice Chairman?

Answer. My operational background ranges from duty as a shipboard division officer to Fleet Commander in Chief and includes experience in operations ranging from naval gun fire support off the coast of Vietnam to command of Task Force 60 in the Mediterranean during the *Achille Lauro* incident and brief hostilities with Libya during freedom of navigation operations. I devoted a significant portion of my tour as CINCPACFLT to the successful execution of PACEX 89—an exercise which the Joint Chiefs have cited as a model for all future joint and combined exercises in any theater. I'm confident these varied and broad operations constitute "solid operational experience."

At various points in my career I spent 9½ years from the time I was a Lieutenant Commander through the end of my tour as a Vice Admiral directly involved in program/budget matters relating to force structure, weapon system acquisition, logistics and sustainability, and translating this work into reality through the acquisition and budget process. As Director of Navy Program Planning, one of my duties in addition to directing Navy programs and budgets was to review all major Navy requirement documents and acquisition decisions as they went forward. Therefore, I am also comfortable with my understanding of the acquisition process.

One of the central findings of the Packard Commission was that in our acquisition process, requirements were too often stated in terms of a next generation weapon instead of the broader, more fundamental terms of mission deficiencies. I am certain that my operational experience will be useful in helping the Joint Requirements Oversight Council (JROC) to define requirements and my programming experience will be useful in evaluating acquisition issues.

Question 3-2. Given the emphasis of the Goldwater-Nichols Act on the role and authorities of the combatant commanders, how do you plan to "get up to speed" to fulfill the role of the Vice Chairman as spokesman for the combatant commanders since you have not served as a commander of or on the staff of a unified or specified combatant command?

Answer. I have already described the close relationship Admiral Hardisty fosters among himself, his staff and his component commanders. Concerns of other combatant commanders are not unlike his and of operational commanders at other levels of command; they are not unique. As a result, I feel very comfortable with joint matters.

There will, of course, be a learning curve in this job like many I have had before. Nevertheless, getting up to speed will be greatly simplified because of my prior personal interaction with the unified and specified commanders and their staffs. Even though each theater is quite different from another, the principles of strategy, force structure, politico-military affairs, deliberate and crisis action planning, and operational employment are bedrock fundamentals for all theaters. I believe my experience in the Pacific will provide a basic template for all theaters.

GOLDWATER-NICHOLS ACT

The Senate Armed Services Committee has a deep and continuing interest in the complete and effective implementation of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 and the amendments to the Act relating to special operations forces and low intensity conflict.

Question 4-1. How would you describe the basic philosophy of the Act, as amended, with respect to the operational command of the Armed Forces?

Answer. The intent of the Goldwater-Nichols Act is (1) to improve the quality of military advice provided to the President, the Secretary of Defense and the National Security Council; (2) to ensure that responsibility for CINC mission accomplishment is clear, and to give the CINCs the necessary authority and resources to accomplish their missions; and (3) to improve the formulation of national military strategy, the plans to support that strategy, and, if necessary, the actual joint operations to implement those plans. All three of these elements affect combatant and operational command. Perhaps the single most significant feature of the Act with respect to combatant command is the increased authority of combatant commanders and the greater visibility afforded their views. If confirmed as the Vice Chairman, I will assist General Powell in acting as a spokesman for the CINCs. I view this as one of the more significant roles of both the Chairman and the Vice Chairman. The net effect of the Act has been to create a better balance between the administrative and resource chain of command and the operational chain of command within the Department of Defense. I can personally attest to its effectiveness by changes I have observed in the operational and budget processes over the last 3 years.

I also believe the intent of the Act was to focus military advice without suppressing individual views. The law very carefully protected the roles of the service Chiefs in this regard and made provision for them to give their individual advice whenever they disagreed with the views and advice provided by the Chairman.

Question 4-2. Do you believe that sufficient attention is being paid to the resourcing of the planning for special operations forces and low intensity conflict?

Answer. Resourcing of, and planning for, Special Operations Forces (SOF) and Low Intensity Conflict have been sufficient. I am concerned, however, over our capability to resource specific SOF initiatives during a period of declining or constrained defense funding levels. Efforts to meet congressionally mandated Special Operations airlift and sealift are expensive but essential to the accomplishment of SOF assigned missions. Continued support will be required in the difficult years ahead.

Question 4-3. Are you fully committed to the complete and effective implementation of the Act, as amended?

Answer. I am fully committed to its complete and effective implementation. However, I also believe that I have an obligation to identify changes when they have merit, are consistent with the intent of the Act, and are necessary for its effective implementation.

Question 4-4. Did you at any time oppose any of the provisions of the Goldwater-Nichols Act?

Answer. No. I do agree with the fine tuning that has already been done by Congress and expect more may be required as we develop greater experience with implementation of the Act.

TITLE IV

Title IV of the Goldwater-Nichols Act, dealing with joint officer management, has been the most amended part of that Act. This committee has sought to be responsive through legislative amendments to provide flexibility so that the purposes of Title IV could be met.

Question 5-1. What are your personal views on Title IV, as amended?

Answer. Title IV of the Goldwater-Nichols Act was enacted to improve the performance of officers in joint duty positions by establishing procedures for their selection, education, assignment, and promotion. I am pleased with the progress and improvements resulting from the enactment of this joint officer management legislation. It is important that all officers, especially those in senior leadership positions, possess a thorough understanding of joint warfighting. Moreover, I believe Title IV has brought a wider and deeper array of military talent and experience to joint staffs world-wide. We must continue to examine specific elements of Title IV to ensure joint commands and the services have the flexibility to execute the intent of Title IV in the context of other legislation such as DOPMA.

Question 5-2. Are you committed to insuring that the spirit and letter of Title IV as amended is met, particularly given the well-known reluctance of the Navy in this area?

Answer. From my experience both in OPNAV and the Fleet, I cannot confirm that the Navy has been reluctant to implement Title IV once enacted. My experience has been that the Navy is working very hard to comply with both its spirit and intent. Personally, I support the goals of Title IV that improve the warfighting capability of our military forces. The quality of officers assigned to joint duty has improved for all services and, if confirmed, I plan to be involved heavily in this area to ensure we maintain our momentum. I believe these improvements are a direct result of the positive support of all of the service Chiefs for the implementation of the law. We are providing our most talented officers to challenging and rewarding assignments within the joint arena, and joint duty is an integral part of officer professional development for all the services.

Question 5-3. What was your record as CINCPACFLT with respect to joint assignments both in terms of encouraging and permitting your better officers to go to joint assignments?

Answer. First, you see by my record that I am a graduate of the Armed Forces Staff College and served a joint tour in the Office of the Secretary of Defense. Throughout my subsequent career, in counseling officers, I have cited those two tours as among the most rewarding and useful tours I've had and encouraged officers to seek out such assignments. This practice continued throughout my tour as CINCPACFLT.

Second, you have before you nominations of Navy officers for promotion to the grade of Rear Admiral (Lower Half). I chaired that promotion board. I think you will find that the records of those officers recommended for promotion to 0-7 reflect a very strong joint duty background. There were, within the group of officers considered, a number of highly-qualified individuals who did not have joint experience and were not recommended for promotion to flag rank. I specifically recommended to the Chief of Naval Personnel that those officers be assigned to a joint assignment as soon as possible even if it meant early reassignment from their current positions, many of which are operational commands.

STRATEGY-RESOURCE RELATIONSHIP

In these times of dramatic and fast changing events in Eastern Europe, it becomes extremely difficult but more important than ever to ensure that our national strategy and its military strategy component are the dominant factors in structuring our Armed Forces and determining an appropriate defense budget.

Question 6-1. What role do you believe the Vice Chairman should play in ensuring that strategy drives the budget?

Answer. I believe the Vice Chairman should continue to play an active role. Let me describe in some detail that role as General Herres executes it today.

First, the Joint Strategic Planning System (JSPS), which has been substantially revised, produces the National Military Strategy (NMS). The NMS, in turn, is used in the Defense Planning Guidance (DPG) which provides guidance to the services for developing each of their Program Objective Memoranda (POMs). Additionally, the recent changes in the planning process of the Office of the Secretary of Defense brought about by the Defense Management Review strengthened the direct link between strategy and the POM process. Through the Vice Chairman's participation in the JSPS and the deliberations of the Defense Planning Resources Board (DPRB), he is able to ensure that budgets have solid strategic foundations.

Second, the Vice Chairman has taken an active role as spokesman for the CINCs, particularly in areas where CINC requirements are otherwise not processed through the services. Throughout the deliberations of the DPRB, the JROC, and the Defense Acquisition Board (DAB), the Vice Chairman is able to ensure budget and acquisition actions reflect both strategy and CINC requirements.

Third, throughout the P0M and budget formulation process, the Vice Chairman plays an extremely active decision making role.

Fourth, he is an active participant in the various assessments conducted by the Joint Staff. Two of these, the Joint Military Net Assessment (JMNA) and the Chairman's Program Assessment (CPA), gage how well the budget and service programs support the National Military Strategy. Again, a direct link between strategy and the budget is evident.

And finally, although less tangible than the rest, the Vice Chairman is frequently at the Chairman's side during his deliberations on defense policy, national military strategy, defense programs, and budget matters.

Question 6-2. What steps would you intend to implement, if confirmed, to enhance that process?

Answer. I believe it is too soon to answer that question. The effect of the recent, significant changes in the JSPS and changes in management of the Defense Department must be evaluated before additional changes are proposed. What is clear is that the geostrategic situation has changed from a bipolar to a multipolar world and that the ongoing processes in Eastern Europe and the Soviet Union are both encouraging and destabilizing. These events demand that we bring together people who think strategically to solve major policy and strategy issues in the context of today's fiscal environment. On both the strategic and fiscal faces of the coin, our decision process is much more complex than in prior years.

I expect the complexity of formulating a sound national security strategy and its military component will continue to increase as we deal with more changes in the geostrategic environment of today. Soviet military power, regional instabilities, competing requirements for resources, and the pace of technological change will all affect this process.

While other approaches can and often do effect the formulation of strategy, I believe a "top down" approach that highlights national interests, threats, objectives, and strategy is most suitable to our ends. This approach requires an understanding of and an ability to deal with the tradeoffs that occur among objectives, strategy, forces, risk, and resources. The better we understand the relationship between our political interests and goals on the one hand and the way military force has been and may be used to serve them on the other, the more likely we are to have a more efficient process.

The Vice Chairman, consistent with the Chairman's desires, should demand and ensure that the Chairman receives the best advice and recommendations on tradeoffs that reasonable men can produce. We need people who are analytical, pragmatic, innovative, broadly educated, and operationally competent to assist in that process. The more we can extend this process to the combatant commanders and give them the same kind of people, the better off we will be as to both the substance of the strategy produced and the process that formulated it. And that demands close, personal attention to assignments to joint duty as prescribed by Title IV.

ACQUISITION PROCESS

It also becomes more important than ever that our scarce defense dollars are spent appropriately and wisely. The Vice Chairman is the vice-chairman of the Defense Acquisition Board and chairman of the Joint Requirements Oversight board. Secretary Cheney's Defense Management Review envisions improvements in the functions of these two bodies.

Question 7-1. Are you familiar with the improvements planned for the Defense Acquisition Board (DAB) and the Joint Requirements Oversight Council (JROC) and do you believe that those improvements will have the desired impact on the requirements and acquisition processes?

Answer. Yes, I am familiar with Secretary Cheney's Defense Management Review (DMR) and the improvements it envisions. The recently released DMR Implementation Report states that the JROC, which I would chair if confirmed, has assumed a broader role in the articulation of military needs and the validation of performance goals and baselines for all DAB programs. If confirmed, I will lead the JROC in a groundfloor examination of the systems we need to implement our military strategy. Once the threshold is crossed from requirement to acquisition, the role as vice chairman of the DAB allows the VCJCS to work to ensure that the needed systems are acquired on time and are cost effective. The DAB, recently re-chartered, will allow the improvements recommended by the DMR to be realized. It is important to note that the DMR work on implementation continues. Much progress has been achieved, but more remains to be done. I doubt that anyone would guarantee achievement of desired impacts in any system as complex as defense acquisition.

Question 7-2. Do you believe that there are other steps that can be taken within the Pentagon to improve the requirements and acquisition processes?

Answer. Not at the moment. I agree with the changes recommended in the DMR and fully support the Secretary's and Deputy Secretary's call for the consensus and commitment needed for continued implementation. The DMR provides the framework, with JROC and DAB interaction, for continuous improvement in the requirements and acquisition processes.

JOINT OPERATIONS

You were involved in the forced landing of the Egyptian airliner carrying the highjackers of the *Achille Lauro* and in the freedom of navigation challenges in the Gulf of Sidra that involved the use of force against Libyan military forces. Both of these operations contained a high political content.

Question 8-1. Those operations were conducted under the command and control of the unified combatant commander. How did the command and control under joint command work during those operations?

Answer. Superbly. As you may recall, I was Commander, Battle Force Sixth Fleet (CTF-60), embarked in the aircraft carrier U.S.S. *Saratoga.* In both of these operations my immediate superior was Commander, U.S. Sixth Fleet, then Vice Adm. Frank Kelso, who was also designated the joint task force commander under the title Commander, Central Mediterranean Operations (COMCENTMEDOPS) for operations in the vicinity of Libya.

In the *Achille Lauro* hijacker intercept, command and control was superb. I was in direct communication via secure satellite circuits with Vice Admiral Kelso, embarked in his flagship U.S.S. *Coronado,* and Vice Admiral Schoultz, CINCUSNAVEUR, at his headquarters in London. They in turn were in direct communication with Rear Admiral Dorsey, the USCINCEUR Director of Operations, who was in turn in direct communications with the JCS Director of operations, then Vice Admiral Hardisty, and the NSC. There was no time for written communications during that event, except for follow-up and after action reporting. The communications and chain of command were clear, complete, concise, and effective.

The Libyan operations were quite different in terms of time lines but the communications, command and control from the on-scene commander to the National Command Authority were equally effective or better. Extensive planning took place via record messages among my command, COMSIXTHFLT, CINCUSNAVEUR, CINCUSAFE, and USCINCEUR both for freedom of navigation operations and for contingencies in response to Libyan terrorist acts. As service component commanders, both CINCUSNAVEUR and CINCUSAFE were important planning participants to ensure proper scheduling, equipping and training of participating forces, many of which were not in theater during the planning and early stages of execution. Vice Admiral Kelso was embarked in my flagship, U.S.S. *Saratoga,* while his staff remained in his flagship, U.S.S. *Coronado,* during the freedom of navigation operation in the Gulf of Sidra which resulted in action with Libyan forces. His staff maintained clear, solid communications with higher authority; and the chain of command was solid.

Question 8-2. Were the rules of engagement and the process by which the ROE were formulated appropriate in your view?

Answer. Absolutely. The ROE for the *Achille Lauro* intercept were developed over the satellite circuits between myself and my seniors as events developed. I was satisfied with them.

Vice Admiral Kelso and I worked very closely together in a variety of events in the Mediterranean including *Achille Lauro*, and we drew on that experience in developing ROE for the Libyan freedom of navigation operations. He asked that my staff "what — if" the possible actions and reactions. We did and presented our conclusions to him and his staff. After a very comprehensive discussion, my staff developed a briefing which Vice Admiral Kelso subsequently used to brief the chain of command up through the Secretary of Defense. Once those ROE were approved, he and I personally briefed every ship, staff and aircraft squadron involved. Every involved person in that force, airman, sailor, marine, or soldier, knew exactly what to do when and under what circumstances.

Question 8-3. What are your views on how well the joint operations worked in Panama?

Answer. Because Pacific Fleet forces were not directly involved in these operations, I have not been privy to detailed information on them beyond news reporting. Accordingly, I do not believe it appropriate for me to comment in any detail. However, I do share what appears to be the general consensus that these operations were executed in a professional and proficient manner using forces trained for the mission, provided to a combatant commander, and sustained for the duration of the operation by their respective services. The combatant commander appears to have organized and employed those forces in an integrated and synchronized fashion. The Panama operation was organized to do the work—which was largely air transport and ground combat and control. I believe joint operations require appropriate forces to accomplish the required task. As in Panama, those forces may sometimes be dominated by one service, and I believe that is appropriate in the context of joint operations.

Question 8-4. Do you believe that progress has been made in the conduct of joint operations since the enactment of the Goldwater-Nichols Act?

Answer. Yes, we have unquestionably made significant improvement in planning and executing joint military operations in the 3-plus years since passage of the Goldwater-Nichols Act. As Senator Nunn has indicated in interviews, the Goldwater-Nichols Act strengthened the role of the Chairman of the Joint Chiefs of Staff and the theater CINCs, and helped improve the professionalism and competency of joint staffs involved in planning and executing operations such as the recent one in Panama. I would add, however, that even with excellent performance as in Panama, we should rigorously analyze after-action documentation so we can continue to improve our ability to conduct joint operations.

As a longer standing model, one could also point to the successful Joint Task Force Middle East (JTFME) established 2½ years ago. This has been a particularly valuable model which covered the full range of doctrinal, tactical and procedural issues. Although primarily a maritime situation, JTFME's operations have afforded rapid and practical growth of joint operational experience including concept and force structure development, command and control, rules of engagement, low intensity conflict response, contingency response planning, logistics, and deescalation.

COUNTER-DRUG EFFORT

There has been considerable debate as to the appropriate role of the Armed Forces in the national counter-drug effort. There are suggestions that the Armed Forces should not only assist U.S. law enforcement agencies but should directly enforce our national laws outside the United States.

Question 9-1. What are your personal views on this important issue?

Answer. While the military can provide and is providing substantial assistance to law enforcement agencies in the prosecution of the drug war, most military personnel are not trained in search, seizure, interdiction, and apprehension techniques. Current directives restrict military personnel from search, seizure, arrest, and apprehension activities. In light of a recent legal interpretation by the Department of Justice of the Posse Comitatus Act and Section 375 of Title lO, this policy has been amended to allow direct assistance by military personnel to execute the law outside our territorial jurisdiction on a case-by-case basis only when there are compelling and extraordinary circumstances to justify the activity. I believe this policy is sound.

In addition, I am convinced that integrated, all-source intelligence is the key to successful and productive employment of our Armed Forces in counternarcotics operations.

ACCOUNTABILITY

The Navy has experienced a significant number of recent mishaps that led to the unprecedented stand down of all Navy ships and shore activities. This committee has been conducting a series of hearings into the most serious of all of these accidents, the April 19, 1989 explosion on board U.S.S. *Iowa*. Some have charged that the Navy has abandoned the concept of accountability on the part of commanders and commanding officers.

Question 10-1. As Commander-in-Chief, U.S. Pacific Fleet you have direct knowledge and experience with these matters. How would you respond to these charges?

Answer. I know of no one in the Navy leadership who has suggested we abandon the concept of accountability. This concept is the bedrock of service tradition and has served the Nation and Navy well in war and peace for over 200 years.

I believe if you examine the record of the U.S. Pacific Fleet under my command you will find that individuals are held accountable for their actions. Cases in point include incidents involving U.S.S. *Dubuque*, U.S.S. *Houston*, U.S.S. *Towers*, U.S.S. *Gurnard*, and U.S.S. *Barbel*. In some cases, individuals were exonerated; in some cases judicial and/or administrative action was taken; but, in all cases, there was accountability.

I cannot comment authoritatively on the investigation of the explosion aboard U.S.S. *Iowa* since it was under the cognizance of my counterpart in the Atlantic Fleet.

With regard to safety, we recently completed PACEX 89 in which Pacific Fleet aircraft flew in excess of 32,000 hours without a major mishap. Participating units included ships and aircraft from foreign nations and about 100 ships from the United States including three aircraft carriers and their embarked airwings, two battleship groups, and three amphibious units with their embarked Marine Expeditionary Units. PACEX 89 demonstrated to me that a major portion of the Pacific Fleet can go to sea, conduct sustained and complex operations in adverse weather conditions over a 4-month period, and return to port with an exceptional safety record.

After reviewing the results of the safety standdown in the context of my overall experience as a Fleet Commander, I am impressed with Navy's safety record while operating warships and high performance aircraft in the unpredictable and unforgiving environment at sea and am very proud of the many significant accomplishments of the men and women of the Pacific Fleet under often dangerous and arduous conditions. As a matter of fact, the Navy had a very successful year in terms of safety, despite the unrelated string of accidents late in the year that led to the safety standdown in mid-November. Naval aviation did exceptionally well, recording its best fiscal year in history in 1989. The past year's mishap rate of 1.78 per 100,000 flight hours, for example, contrasts well in lives and dollars saved with the 5.60 mishaps per 100,000 hours experienced in 1980. At the same time, I recognize the military's serious responsibility to continually improve safety.

COMMAND ASSIGNMENTS

There have been media reports that command assignments in the Navy have been going to personnel with demonstrated bureaucratic and policy expertise rather than with operational experience and that this has been a contributing factor to the recent spate of accidents.

Question 11-1. How would you respond to these reports?

Answer. Probably with considerable emotion. Such reports do a disservice to those officers who have sought what is the best job in any Navy—command at sea. No criteria in the U.S. Navy's command assignment or promotion process exceeds or closely approaches the importance accorded to operational experience. Demonstrated and sustained excellence in operational billets at sea is the prerequisite for selection and assignment to command at sea. If an officer is not experienced, proficient, and competitive amongst his peers at sea, he will not select for command regardless of his record ashore. Indeed, it is this emphasis on operational experience which drives what some perceive as the Navy's reluctance to assign officers to 3 or 4 year staff tours.

NUCLEAR WEAPONS COUNCIL

When the Nuclear Weapons Council was created by the Congress, its membership was carefully chosen to insure early and effective coordination of nuclear weapons requirements developed by the nuclear CINCs and the likely costs to both DOD and DOE of meeting those requirements. Implicit in this process is a "give-and-take" over both the requirements and costs, one that requires the Vice Chairman both to accurately reflect the needs of the CINCs and convey back to them lower-cost alternatives that may be recommended by DOD or DOE. In this regard, your role on the Nuclear Weapons Council is quite important.

Question 12-1. How do you intend to develop the necessary understanding and expertise to carry out this role, and how long do you expect it to take before you are "up-to-speed"?

Answer. In the next few years, we will face very complex issues which will affect our strategic offensive and defensive capabilities on one hand, and our environment and economic strength on the other. I readily admit that in the area of nuclear weaponry I will need the support of qualified, knowledgeable officers on the joint staff to get up to speed and to stay up to speed in a discipline that challenges the best minds in our Nation. Once again, the strategy, requirements, and acquisition disciplines inherent in the responsibilities of the Vice Chairman on the DAB, DPRB and JROC will force a "give and take" on nuclear as well as conventional weapon matters.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR JOHN McCAIN

CHANGES TO U.S. STRATEGY, FORCE STRUCTURE, AND ROLES AND MISSIONS

Senator McCAIN. The most pressing single issue you are likely to face during your tenure as VCJCS is how to simultaneously carry out major reductions in U.S. forces and change U.S. strategy, force structure, and the role and missions of our forces. Could you provide your personal thoughts relating to the following issues:

The major changes in U.S. strategy, force structure, and roles and missions you feel should be made if START and CFE are signed and the current trends in the reduction of the Soviet and Warsaw Pact threat continue?

Admiral JEREMIAH. If we project the trend lines that we have seen in the last few months, we can develop a vision of an environment of peace and democracy that we couldn't have imagined even 6 months ago. We are hopeful that this vision will come to pass and we will surely see significant changes in force structure and disposition. Even now, as we see the threat in Europe receding, we are planning major reductions in our forces stationed there.

To the extent that we can reduce our force posture in safety we will do so. We must keep in mind that the Soviets are still a superpower—and so are we, with global obligations. We must also take to heart the lessons we should have learned after both world wars about precipitous cuts to our military strength under the guise of enduring peace.

Our strategy, as the bridge between our national goals and the resources provided, will also change—and should change in response to changes in actual conditions, not wishful projections. I see, however, rather significant possibilities for shifts in our theater strategy in Europe as events continue to unfold. No assumption or premise should go unquestioned.

When we talk about roles and missions, we generally separate them into the roles of the services; that is, the collection of warfare functions and capabilities that the services are required to organize, train, and equip forces to perform; and the missions of the unified and specified commands; that is, the tasks which we ask those commanders to perform with the forces assigned to them. As threat and technology change, it is the missions (and organization) of the unified and specified commanders which change most rapidly in accommodation. I foresee an ongoing dynamic as we continue to adjust the missions and force structure of our commands. The service roles are assigned for effectiveness and efficiency and will tend to change less rapidly—unless there is unnecessary duplication—than the missions of the CINCs.

In summary, as our world becomes less intensely focused on the United States-Soviet bipolarity, we will see our Armed Forces become smaller, but they must remain effective and balanced in capability and armed with the best weaponry. We must be efficient as we organize to meet the new strategic realities and I am prepared to advocate whatever changes are required to ensure that effectiveness and efficiency.

U.S. POWER PROJECTION AND MARITIME STRATEGY

Senator **McCain**. Could you provide your thoughts relating to the changes that need to be made in U.S. power projection and maritime strategy?

Admiral **Jeremiah**. While we are witnessing significant changes in the international security environment, there are some aspects that endure. One is that the United States is an island nation that depends on secure lines of communications for its economic prosperity, freedom, and security. Another is that the United States retains alliance relationships around the world which rely upon U.S. forward presence and power projection. A third is that the United States remains a superpower with global responsibilities. Because of these enduring national security requirements, a power projection capability, to include air, land and naval forces, remains essential to our security and that of our allies. The maritime strategy requires conducting a decisive naval campaign that supports execution of the warfighting CINCs OPLAN. The associated naval operations enhance strategic lift, secure lines of communication, deployment and sustainment of forces overseas, and support of allied regional powers. This naval contribution becomes increasingly important as we reduce our forward presence.

ORGANIZATION OF THE JOINT STAFF

Senator **McCain**. The most pressing single issue you are likely to face during your tenure as VCJCS is how to simultaneously carry out major reductions in U.S. forces and change U.S. strategy, force structure, and the role and missions of our forces. Could you provide your personal thoughts relating to the following issues:

The strengths and weaknesses of the current organization and operations of the Office of the Joint Chiefs of Staff and the military services in supporting effective changes in strategy, roles and missions, and the allocation of resources by service and role and mission?

Admiral **Jeremiah**. The 1986 Goldwater-Nichols Defense Reorganization Act instituted major changes in the way we do business on the Joint Staff. I believe one of the strengths of the act is the preeminence given to the Chairman of the Joint Chiefs of Staff as the primary person responsible for providing military advice to the President and Secretary of Defense. The Joint Staff has undergone a revitalization in its efforts to support the Chairman's role and those Joint Chiefs who advise him. The regional combatant commanders were also given larger responsibilities in both operational matters and resource allocation.

We have made major changes in the last 4 years in the way in which we plan. The new strategic planning system, instituted this year will receive a baptism of fire as we attempt to stay abreast of rapidly changing conditions. Likewise, the new process for allocating resources will be vigorously tested over the next few months.

My expectation is that we will find plenty of adjustments that need to be made as we introduce all of these new systems, simultaneously in an environment of precipitous change; but my observation at the moment is that our structure and processes are basically sound.

PROSPECTS FOR FURTHER CUTS IN OUR CARRIER FORCES

Senator **McCain**. There are several controversial issues that now seem likely to have a critical impact on our future force posture. Could you provide your personal views on the following issues:

The prospects of further cuts in our carrier forces.

Admiral **Jeremiah**. As I am sure that you are aware, we are currently reevaluating any number of programs and policies with regard to the overall force structure and our carrier forces are not exempt. Once we have determined what our future requirements are and have resolved other issues such as the availability of forward basing, then we can take a realistic look at carrier force levels. However, reductions in carriers may lead to other force perturbations and logical tradeoffs between different types of forces will have to be made.

CUTTING B-2 LEVELS—IMPLICATIONS FOR START

Senator **McCain**. There are several controversial issues that now seem likely to have a critical impact on our future force posture. Could you provide your personal views on the following issues:

The impact of cutting current procurement of the B-2 to a level of one to two wings, and the implications for START.

Admiral JEREMIAH. Manned aircraft, viewed by the Soviets as capable of delivering nuclear weapons on target despite Soviet defenses against them, are central to nuclear deterrence and to our success in achieving a START agreement which channels strategic forces in stable directions. The President's request for a certain level of B-2s was premised upon extensive review of our deterrent and arms control goals. I've seen nothing to lead me to personal opinions divergent from those assessments.

SNF, FOTL, AND SRAM-T

Senator MCCAIN. There are several controversial issues that now seem likely to have a critical impact on our future force posture. Could you provide your personal views on the merits of seeking immediate negotiations on SRNF and the need to provide major funding to FOTL and SRAM-T in fiscal year 1991?

Admiral JEREMIAH. The United States and its NATO partners reached an agreement at the May 1989 summit that Short-range Nuclear Force (SNF) missile talks would begin upon implementation of a CFE agreement with the Warsaw Pact. There are no discernible merits to jumping into SNF missile talks now. Starting SNF talks now would distract our attention from the CFE and START negotiations, which are proceeding as planned. Beginning SNF talks now would also provide the Soviets with openings to press divisive, emotional arguments which can cloud our public and political debate on European security issues. We hope to complete the CFE and START treaties this year. A more recent complicating factor is the German unification process, or "2+4 Talks." With all this going on, the decision of the NATO heads of state last May to defer SNF talks until the CFE talks produce a treaty seems most wise.

As for the funding levels for FOTL and SRAM-T requested for fiscal year 1991, both of these programs are ready to progress to full-scale engineering development to meet the timelines required by the CINCs. We fully appreciate the difficulties of gaining a favorable deployment decision on FOTL from our NATO allies in 1992. But in order to have a system on which to base a deployment decision, and in time to replace the aging Lance system starting in fiscal year 1995, as General Galvin has requested, we are ready now to solicit proposals from contractors. That is why there is a substantial increase in funding levels requested for fiscal year 1991 versus fiscal year 1990. Similarly, SRAM-T has entered full-scale engineering development. It is a high priority program which will add significant capability to our dual-capable aircraft, upon which the United States and its allies will rely ever more heavily as we plan for fewer shorter range nuclear systems and as we complete the drawdown of INF missiles under the 1988 treaty with the Soviet Union.

PRESERVATION OF HEAVY ARMORED FORCES IN A POST-CFE EUROPE

Senator MCCAIN. There are several controversial issues that now seem likely to have a critical impact on our future force posture. Could you provide your personal views on the following issues:

The need to preserve heavy armored forces in Europe and as reinforcements for NATO after withdrawals following a CFE treaty.

Admiral JEREMIAH. The establishment of reinforcement criteria for NATO and the need to preserve heavy armored forces in Europe in a post-CFE environment are issues which are intimately tied to the dramatic changes in Europe, it's nations' security concerns, and the fairness with which these concerns are addressed in CFE talks. These negotiating details will undoubtedly be hammered out during the discussions. A CFE treaty will only be concluded when an equitable balance of Europe's diverse national security concerns is reached.

Whatever follows the CFE treaty, the U.S. military should have some component of heavy armored forces, wherever stationed. These forces may well be called upon in the future given the number of nations around the world with heavy armor capability.

POST CFE/START PLANNING PRIORITIES

Senator MCCAIN. Could you provide your thoughts relating to the major non-NATO contingencies for which we should plan and how the planning priorities for these contingencies will change after a CFE and START treaty?

Admiral JEREMIAH. The non-NATO contingencies we must plan for are in areas in which the threat has not diminished as well as areas in which the threat is increasing. While there were indications of improved relations between North and South Korea, it appears that the North is no less hostile or threatening than it has been since the Korean War. Likewise, suppression of democratic aspirations and insurgencies elsewhere in the Pacific region creates instability in the area. We remain committed to assisting our allies and friends against the continuing threats. Regional threats in other parts of the world, such as the Middle East, South Asia, Latin America, and Africa, are more troublesome with the proliferation of sophisticated weapons and delivery systems. This is an increasing challenge to the United States and its allies, as is international drug trafficking. As the threat of East-West hostilities continues to diminish, we may be able to devote more resources to non-NATO regions, within the responsibilities of our alliances and superpower responsibilities.

MERITS AND RISKS OF NAVAL ARMS CONTROL NEGOTIATIONS

Senator McCain. There are several controversial issues that now seem likely to have a critical impact on our future force posture. Could you provide your personal views on the following issues:

The merits and risks of naval arms control negotiations.

Admiral Jeremiah. The United States is striving, through a number of policies embracing both arms control negotiations and maintenance of a strong deterrent posture, to achieve overall global political-military stability and equilibrium. Naval arms control negotiations that support this objective have merit. However, each separate arms control negotiation and force modernization action is meaningful only when viewed in this light.

The United States does not oppose naval arms control negotiations that contribute to the improvement in the security of all participants. The United States and the Soviet Union have been and are actively engaged on a wide variety of naval arms control initiatives. The bilateral Incidents at Sea Agreement (INCSEA) of 1972 is a confidence and security building measure (CSBM) which addresses common maritime procedures for operations on and above the sea. The Stockholm Agreement of 1986 establishes 42 days prior notification and observation for amphibious operations exceeding 3,000 and 5,000 amphibious troops respectively. The most recent Dangerous Military Activities Agreement was signed in 1989 between the United States and the U.S.S.R. as one of the last initiatives of our former Chairman, Joint Chiefs of Staff, Adm. Bill Crowe.

U.S. participation in many of the proposed naval arms control initiatives would result in a serious risk and detriment to U.S. national security and interests.

Given the enduring geographic asymmetry between east and west, the USG must retain naval forces of sufficient size capability to protect its global interests and American citizens abroad.

The United States is uniquely dependent on the Freedom on the Seas and unimpeded use of global sea lines of communications (SLOC) to preserve legitimate security and commercial interests with her principal allies and trading partners. In contrast, the Soviet Union enjoys the geographic advantage of secure internal lines of communication with great strategic depth. Our SLOC dependency is analogous to the Soviet internal road, rail, and inland waterway transportation systems. Naval arms control agreements must acknowledge these geographic imperatives.

Surface naval forces are relatively slow moving, easily observable by space systems and long range patrol aircraft. In international waters, our naval forces are subject to operational monitoring by any nation under the doctrine of the Freedom of the Seas.

Freedom to exercise and train naval forces globally on the high seas is a right provided to all sovereign navies, including the Soviet Union. U.S. naval exercises conducted with NATO and Pacific allies are defensive by design and occur in ocean areas in which U.S./Allied navies must be prepared to operate.

U.S. naval forces have global maritime responsibilities apart from the European region and outside the Soviet context. Mideast, Persian Gulf, Pacific and Caribbean security and treaty responsibilities are contemporary examples. Naval forces are a primary instrument of global response and possess the flexibility and mobility with which the NCA can respond to these non-Soviet challenges.

In summary, the United States is and will continue to be a maritime nation. I recognize and welcome the great changes in the world today. However, we still have a wide range of global commitments which must be met quite apart from U.S.-Soviet relationships. These commitments often require the ability to call on and support our forward deployed forces and allies. Bilateral arms control discussions with the Soviet Union could risk U.S. capability to meet national requirements in a non-Soviet context. The maritime environment has been recognized in international law and diplomacy as fundamentally different from that on land. The United States cannot engage in naval arms negotiations that do not contribute to enhancement of security for the nations involved.

FUNDING PRIORITIES FOR AIRLIFT AND SEALIFT

Senator McCain. Admiral Jeremiah, there are several controversial issues that now seem likely to have a critical impact on our future force posture. Could you provide your personal views on the following issues:

The priorities that should be given to DOD funding of airlift and sealift?

Admiral Jeremiah. If we want to remain a superpower, we must be able to globally project forces quickly. Our present mobility programs, Ready Reserve Force for sealift and the C-17 for airlift are the means to that end and must be fully funded.

BUDGET CYCLE IMPACTS

Senator McCain. The present 2-year defense budget cycle has been touted as a means of providing additional stability for defense budgeting. In fact, it seems to have been a dismal failure that helps ensure that key military strategy and planning documents are done on a 2-year cycle that ensures that the inputs are badly dated and the output lags far behind the momentum of change in budget levels and political and strategic conditions.

Please provide your analysis of the current cycle of OJCS inputs to the budget planning cycle and of the timeliness of the key activities and outputs in impact on the budget cycle. Please indicate the changes you feel can be made to make the OJCS inputs more timely and relevant.

Admiral Jeremiah. On January 30, 1990, the Chairman Joint Chiefs of Staff approved the Joint Strategic Planning System (JSPS) which remedies the shortcomings mentioned by providing for review and revision of our key strategy and planning documents as national and world situations dictate. The JSPS has been incorporated into a Joint Memorandum of Policy and ensures strategy and planning document revision based on changes in threat assessment, fiscal guidance, and our military force structure.

The JSPS has been carefully designed to respond to the subject and intent of the recommendations in the Packard Commission Study, the direction provided in the 1986 Goldwater-Nichols DOD Reorganization Act, and the need for quick Department of Defense response to National guidance. Future changes will be incorporated as circumstances dictate.

STRATEGIC REVIEWS

Senator McCain. The strategic review tasked by President Bush produced what is recognized to be a bureaucratic nightmare of lowest common denominator responses. What do you feel, in your prospective role as VCJCS, can be done to ensure that future efforts of this kind can be made more effective and responsive?

Admiral Jeremiah. Although I was not in Washington during the strategic review process and did not witness, first hand, the events you describe, I have reviewed the reports and have noted that there were many positive, useful and actionable results. Some of these can be seen in the policies that are being implemented by the administration, such as initiatives in arms control; our policies toward the Soviet Union, Europe, the Pacific Region and the Persian Gulf; and the reforms being instituted as a result of the Defense Management Review. More to the point of your question, however, the sheer magnitude of an undertaking of this size creates a managerial challenge. The recently changed Joint Strategic Planning System institutionalizes a Joint strategy review, similar in scope to the Presidential reviews, which will procedurally ensure an effective and responsive result. I intend to ensure this system is fully implemented and adhered to.

JOINT MILITARY NET ASSESSMENT

Senator McCain. The OJCS is tasked with developing a joint military net assessment that is to be released in both classified and unclassified form at the same time as the defense budget. This document is supposed to be a global net assessment that identifies both the capabilities and risks of the forces funded in the proposed budget and the FYDP. This document again lags badly behind the required deadline, and work did not begin on the unclassified version until the classified version was completed. What can be done to ensure that the OJCS will issue this document in full compliance with the requirements of the Defense Authorization Act?

Admiral **Jeremiah**. As has been pointed out previously, last year's Joint Military Net Assessment (JMNA) was produced during a time of significant budget and political change, making data analysis, and judgments all the more difficult. The timing of the required submission of this document is a challenge. The law requires us to submit the assessment at the same time the President submits the budget request, which, as you know, is a time of considerable turbulance and uncertainty. Last year's JMNA was problematic as well because it was, for all intents and purposes the first truly comprehensive assessment of this sort that had been accomplished. The Joint Staff, the military services, and the intelligence community learned a great deal about how to do these types of assessments.

This year's JMNA, which was released by Secretary Cheney on March 7, 1990, was produced amid tremendous changes in Eastern Europe. Last year it was "last minute" budget changes; this year it was a situation of updating our assessment with as many changes as possible in the international security environment. Considering the magnitude of change in our potential adversary's capabilities—and the difficulty of assessing intent as well as capability—I think that we did an excellent job in getting this document to the presses as quickly as we did, with as much of the current changes as we have.

Regardless of the completion date of the document, however, it is important to note that the unclassified version will always lag behind the classified document. If we want the unclassified version to say as close to the same things as the classified version, it is inevitable that we must derive the former from the latter. This is a time-consuming process to say the least.

Without meaning to appear tongue-in-cheek, I suggest that the best way to resolve the problems addressed in your question is to change the required submission date of the document. If we looked to submitting the document in March each year, rather than January, we would still allow time for Congress to study the assessment prior to completing their deliberations on the budget. Further, as we move toward a biennial budget, it would be most useful to submit the JMNA in those appropriate years.

INTEGRATED READINESS REPORT

Senator **McCain**. The Department of Defense was required in fiscal year 1989 to prepare a consolidated readiness report that would end the decoupling of reporting on manpower levels and readiness, sustainability, equipment strength and modernization, and the availability of lift and the prepositioning of stocks and equipment. This report was tasked in part because of the inability of the OJCS to provide a comprehensive and integrated picture of the extent to which U.S. forces can or cannot meet key commitments like deploying 10 fully combat ready division slices to NATO in 10 days.

This report evidently was tasked within the OJCS and drafts were evidently prepared. It has never been submitted to Congress, but testimony during the course of calendar year 1989 strongly indicates that many war stoppers exist, and that the decoupling of reporting on various aspects of readiness may increasingly conceal an emphasis on manpower readiness and OPTEMPOs at the expense of sustainability.

Will you undertake to ensure that this report is submitted in compliance with the fiscal year 1989 Defense Authorization Act, and that a more effective and integrated approach is taken to reporting on readiness and combat capability?

Admiral **Jeremiah**. As you indicated, the required consolidated readiness report was tasked to Chairman, Joint Chiefs of Staff by the Secretary of Defense. The Joint Chiefs of Staff approved the Integrated Readiness Report (IRR) and forwarded it to the Secretary on February 2, 1989. Subsequently, based on President Bush's February 1989 Amended Budget Submission, the Deputy Secretary of Defense decided not to submit the report to Congress until it could be modified to reflect amended budget data.

[The nomination reference of Adm. David E. Jeremiah follows:]

NOMINATION REFERENCE

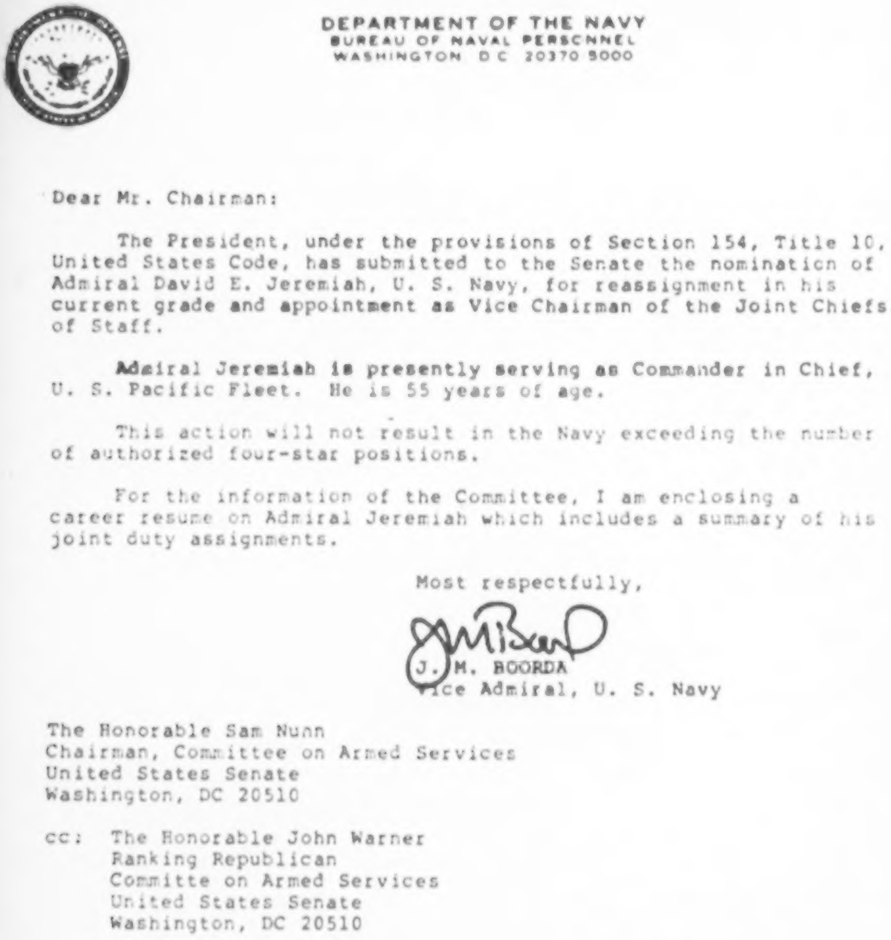
As In Executive Session,
Senate of the United States,
January 25, 1990.

Ordered, That the following nomination be referred to the Committee on Armed Services:

The following named officer for appointment as Vice Chairman of the Joint Chiefs of Staff under the provisions of title 10, United States code section 154, to be Vice Chairman of the Joint Chiefs of Staff, to be Admiral, Adm. David E. Jeremiah, 542-34-3914, United States Navy.

[The biographical sketch of Adm. David E. Jeremiah, which was transmitted to the committee at the time the nomination was referred, follows:]

BIOGRAPHICAL SKETCH OF ADM. DAVID E. JEREMIAH



DEPARTMENT OF THE NAVY
BUREAU OF NAVAL PERSONNEL
WASHINGTON DC 20370 5000

Dear Mr. Chairman:

The President, under the provisions of Section 154, Title 10, United States Code, has submitted to the Senate the nomination of Admiral David E. Jeremiah, U. S. Navy, for reassignment in his current grade and appointment as Vice Chairman of the Joint Chiefs of Staff.

Admiral Jeremiah is presently serving as Commander in Chief, U. S. Pacific Fleet. He is 55 years of age.

This action will not result in the Navy exceeding the number of authorized four-star positions.

For the information of the Committee, I am enclosing a career resume on Admiral Jeremiah which includes a summary of his joint duty assignments.

Most respectfully,

J. M. BOORDA
Vice Admiral, U. S. Navy

The Honorable Sam Nunn
Chairman, Committee on Armed Services
United States Senate
Washington, DC 20510

cc: The Honorable John Warner
Ranking Republican
Committe on Armed Services
United States Senate
Washington, DC 20510

TRANSCRIPT OF NAVAL SERVICE FOR
ADMIRAL DAVID ELMER JEREMIAH
U.S. NAVY

25 FEB 1934	Born in Portland, Oregon
2 SEP 1955	Enlisted, U.S. Naval Reserve
14 NOV 1955	Reported for active duty
28 MAR 1956	Honorably discharged
30 MAR 1956	Ensign, U.S. Naval Reserve and continued on active duty
30 SEP 1957	Lieutenant (junior grade)
29 MAR 1959	Honorably released from active duty
1 MAY 1960	Lieutenant
3 OCT 1961	Reported for active duty
20 AUG 1963	Augmented in the U.S. Navy
1 MAR 1965	Lieutenant Commander
1 SEP 1969	Commander
1 APR 1977	Captain
JUL 1982	Designated Rear Admiral (Lower Half) while serving in billets commensurate with that grade
1 OCT 1983	Rear Admiral (Lower Half)
1 APR 1985	Designated Rear Admiral while serving in billets commensurate with that grade
1 SEP 1986	Rear Admiral
1 JUL 1986	Designated Vice Admiral while serving in billets commensurate with that grade
1 OCT 1987	Admiral while serving in billets commensurate with that grade Service continuous to date

ASSIGNMENTS AND DUTIES	FROM	TO
Naval Recruiting Station and Office of Naval Officer Procurement, Seattle, WA	APR 1956	JUN 1956
USS CHARLES E. BRANNON (DE 446)	JUN 1956	MAR 1959
USS MCGINTY (DE 365)	OCT 1961	AUG 1962
USS TWINING (DD 540)	AUG 1962	APR 1964
Fleet Training Center, San Diego, CA (DUINS)	APR 1964	AUG 1964
USS BENJAMIN STODDERT (DDG 22) (Ops. Off.)	AUG 1964	JAN 1966
Office of CNO, DCNO, (Fleet Ops. and Readiness) (Asst. Head, Surface Electronics Warfare Systems Section)	JAN 1966	OCT 1968
USS JOSEPH STRAUSS (DDG 16) (XO)	OCT 1968	JUL 1970
Armed Forces Staff College (DUINS)	AUG 1970	JAN 1971
NROTC, Harvard University (DUINS)	JAN 1971	MAY 1971
Office of Secretary of Defense (Systems Analyst)	MAY 1971	JUN 1974
Naval Destroyer School (DUINS)	JUN 1974	AUG 1974
CO, USS PREBLE (DLG 15)	AUG 1974	NOV 1976

TRANSCRIPT OF NAVAL SERVICE FOR ADMIRAL DAVID ELMER JEREMIAH (CONT'D)

ASSIGNMENTS AND DUTIES (CONT'D)	FROM	TO
Office of CNO (Head, Program Plans and Development Branch)	NOV 1976	JUL 1979
Commander, Destroyer Squadron 24	JUL 1979	OCT 1980
Staff, CINCPACFLT (EA)	OCT 1980	JUN 1982
Office of CNO (EA to CNO) (OP-002)	JUN 1982	JUL 1984
Commander, Cruiser-Destroyer Group EIGHT	JUL 1984	APR 1986
Office of CNO (Director, Navy Program Planning (OP-090)	APR 1986	SEP 1987
Commander in Chief, U.S. Pacific Fleet	OCT 1987	TO DATE

MEDALS AND AWARDS

Naval Distinguished Service Medal with two Gold Stars in lieu of subsequent awards
Legion of Merit with one Gold Star in lieu of second award
Meritorious Service Medal one Gold Star in lieu of second award
Navy Achievement Medal with Combat "V"
Navy Unit Commendation with Bronze Star in lieu of second award
Meritorious Unit Commendation with Bronze Star in lieu of second award
Navy Expeditionary Medal
National Defense Service Medal
Armed Forces Expeditionary Medal
Vietnam Service Medal with one Silver Star and two Bronze Stars
Sea Service Deployment Ribbon with two Bronze Stars in lieu of subsequent awards
Republic of Korea Order of National Security Merit (Tong-IL) Medal
Republic of Korea Order of National Security Merit (Samil) Medal
Kingdom of Thailand Award "Most Noble Order of the Crown of Thailand (First Class)
Republic of Vietnam Meritorious Unit Citation (Gallantry Cross Color)
Republic of Vietnam Campaign Medal

SPECIAL QUALIFICATIONS

BS (Business Administration) University of Oregon, 1955
MS (Financial Management) George Washington University, 1968
Graduate of Armed Forces Staff College, 1971
Language Qualification: None of record

TRANSCRIPT OF NAVAL SERVICE FOR ADMIRAL DAVID ELMER JEREMIAH (CONT'D)

PERSONAL DATA

Wife: Connie J. Beem of University City, Missouri
Children: Krista K. Jeremiah (Daughter)
Born: 16 March 1966
Jodi E. Jeremiah (Daughter)
Born: 25 February 1969

SUMMARY OF JOINT ASSIGNMENTS

Assignment	Dates	Rank
Office of Assistant Secretary of Defense (Program Analysis & Evaluation), Systems Analyst	MAY 71 - JUN 74	CDR
*Executive Assistant, Commander in Chief, U.S. Pacific Fleet	OCT 80 - JUN 82	CAPT
*Executive Assistant to Chief of Naval Operations	JUN 82 - JUL 84	RDML

* Joint Tour Equivalent

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by Adm. David E. Jeremiah, in connection with his nomination follows:]

UNITED STATES SENATE

COMMITTEE ON ARMED SERVICES

Room SR-228

Washington, DC. 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

Instructions to the Nominee: Complete all requested information. If more space is needed use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

Part A—Biographical Information

Instructions to the Nominee: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearings and will also be published in any hearing record as well as made available to the public.

1. **Name: (Include any former names used.)**
David Elmer Jeremiah.

2. **Position to which nominated:**
Vice Chairman, Joint Chiefs of Staff.

3. **Date of nomination:**

January 25, 1990.

4. **Address:** (List current place of residence and office addresses.)

[Nominee responded and the information is contained in the committee's executive files.]

5. **Date and place of birth:**

February 25, 1934; Portland, Oregon.

6. **Marital Status:** (Include maiden name of wife or husband's name.)

Connie Jo (Beem) Jeremiah.

7. **Names and ages of children:**

Krista Kay Jeremiah, 23 (Mar. 16, 1966); Jodi Elizabeth Jeremiah, 20 (Feb. 25, 1969).

8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.

			GRADUATE			
FROM	TO	NAME & LOCATION OF SCHOOL	YES	NO	DEGREE	DATE
SEP 47	JUN 51	LINCOLN HS, 1600 SW SALMON PORTLAND, OR	X			
SEP 51	JUN 55	UNIVERSITY OF OREGON EUGENE, OR	X		BS	JUN 55
JUN 66	JUN 68	GEORGE WASHINGTON UNIVERSITY WASHINGTON, DC	X		MS	JUN 68
FEB 71	MAY 71	PROGRAM FOR MANAGEMENT DEVELOPMENT HARVARD BUSINESS SCHOOL, CAMBRIDGE, MA	X			

9. **Employment record:** List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.

FROM	TO	DUTY ASSIGNMENTS/LOCATION
JUL 79	OCT 80	COMMANDER, DESTROYER SQUADRON 24, MAYPORT, FL
OCT 80	JUN 82	EXECUTIVE ASSISTANT, COMMANDER IN CHIEF, U.S. PACIFIC FLEET, PEARL HARBOR
JUN 82	JUL 84	EXECUTIVE ASSISTANT, CHIEF OF NAVAL OPERATIONS OP-002, WASHINGTON, DC
JUL 84	JUN 86	COMMANDER CRUISER-DESTROYER GROUP EIGHT, NAVAL STATION NORVA
JUN 86	SEP 87	DIRECTOR, NAVY PROGRAM AND PLANNING (OP-090, WASHINGTON, DC
SEP 87	FEB 90	COMMANDER IN CHIEF, U.S. PACIFIC FLEET, PEARL HARBOR, HI

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

None.

11. **Business relationships:** List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

Limited partner, Angles Partners VIII (Real Estate Limited Partnership), 10301 Pico Blvd., Los Angeles, CA 90046.

Limited Partner, Consolidated Capital Properties (Real Estate Limited Partnership), 1900 Powell St., Emeryville, CA 94608.

Limited Partner, Carlyle R.E. Ltd. Partnership IX (Real Estate Limited Partnership), 875 N. Michigan Ave., Chicago, IL 60611

Limited Partner, Technology Funding Secured Investors (IRA) (Limited Partnership dealing in medical computer software).

12. **Memberships:** List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

(1) Boy Scouts of America, Aloha Council, Honolulu, Hawaii.

(2) American Red Cross, Hawaii State Chapter.

13. **Political affiliations and activities:**

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

None.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $100 or more for the past 5 years.

None.

14. **Honors and Awards:** List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Distinguished Service Medal with two gold stars, Legion of Merit with gold star, Meritorious Service Medal with gold star, Navy Achievement Medal with combat 'V', Navy Unit Commendation with bronze star, Navy Expeditionary Medal, National Defense Service Medal, Sea Service Deployment Ribbon with silver star, Vietnam Service Medal with silver star and two bronze stars, Korean Order of National Security Merit (TONG-I1) Medal, Korean Order of National Security Merit (SAMIL) Medal, Most Noble Order of the Crown of Thailand (First Class) Medal, Republic of Vietnam Meritorious Unit Commendation (Gallantry Cross Color) with palm, and Republic of Vietnam Campaign Medal with device.

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

Commentary: Chernavin Responds.

Publisher: U.S. Naval Institute Proceedings Magazine, April 89 issue, page 14.

16. **Speeches:** Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

Speeches contained in committee files.

17. **Selection:**

(a) Do you know why you were chosen for this nomination by the President?

I am not aware of the details of how I was chosen for this nomination by the President.

I do, however, know that during his confirmation hearings, General Powell said that he "would look for an officer with solid operational experience and a sound understanding of the acquisition system" in the selection of a vice chairman. I have provided comments to Senator Nunn to explain how my background and expertise meet the requirements laid down by General Powell.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

I have provided that information in my response to Senator Nunn's question concerning how my background and experience satisfy the requirement for Vice Chairman as seen by General Powell.

18. **Commitment to testify before Senate committees:** Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

Name: Adm. David E. Jeremiah.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county

or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past 10 years have your or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employers, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either, individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

DAVID E. JEREMIAH.

This 1st day of February, 1990.

[The nomination of Adm. David E. Jeremiah was reported to the Senate by Senator Sam Nunn on February 27, 1990, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on February 28, 1990.]

[Whereupon, at 3:57 p.m., the committee adjourned, to reconvene upon the call of the Chair.]

NOMINATIONS OF DONALD J. YOCKEY TO BE DEPUTY UNDER SECRETARY OF DEFENSE FOR ACQUISITION; CHARLES M. HERZFELD TO BE DIRECTOR OF RESEARCH AND ENGINEERING; GERALD A. CANN TO BE ASSISTANT SECRETARY OF THE NAVY (RESEARCH, DEVELOPMENT, AND ACQUISITION); AND JACQUELINE E. SCHAFER TO BE ASSISTANT SECRETARY OF THE NAVY (INSTALLATIONS AND ENVIRONMENT)

TUESDAY, MARCH 6, 1990

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
WASHINGTON, DC.

The committee met, pursuant to notice, at 2:20 p.m., in room SR-222, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Committee members present: Senators Nunn, Bingaman, Dixon, and Warner.

Committee staff members present: Arnold L. Punaro, staff director; Andrew S. Effron, general counsel; Christine C. Dauth, chief clerk; and Madelyn R. Creedon, counsel.

Professional staff members present: Robert E. Bayer, Creighton Greene, William E. Hoehn, Jr., Norman G. Mosher, Frederick F.Y. Pang, and William H. Smith.

Minority staff members present: Patrick A. Tucker, minority staff director and counsel; Romie L. Brownlee, deputy staff director for the minority; Jonathan L. Etherton, George K. Johnson, Jr., George W. Lauffer, John E. Mansfield, Durwood W. Ringo, Jr., and Mark B. Robinson, professional staff members.

Staff assistant present: Barbara L. Braucht.

Committee members' assistants present: Andrew W. Johnson, assistant to Senator Exon; Kenneth N. Luongo, assistant to Senator Levin; Edward M. McGaffigan, Jr., assistant to Senator Bingaman; John Gerhart, assistant to Senator Bingaman; Charles C. Smith, assistant to Senator Dixon; Patrick F. McCartan, assistant to Senator Wilson; Anthony H. Cordesman, assistant to Senator McCain; and Robert M. Soofer, assistant to Senator Gorton.

OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman NUNN. The committee will come to order.

The committee meets today to consider the nominations of four individuals for four senior positions in the Department of Defense. I would like to extend a warm welcome to the nominees and their families, as well as the guests here today.

I will first introduce all four nominees, and after any comments from other members, we will hear from the nominees in two panels. First we will hear from the OSD nominees, and then we will hear from the Department of the Navy nominees.

I will start the introductions with Mr. Donald Yockey who has been nominated by the President to be the Deputy Under Secretary of Defense for Acquisition. He is accompanied by his wife Mary-Jean and his daughter, Mrs. Karin Schuler. We are delighted to have both of you here today. If you will hold up your hands, we will recognize you. Delighted to have you.

Mr. Yockey is a retired top executive of the Rockwell International Corporation with over 45 years of management experience in both industry and in the military. I had the good fortune to work with Don in the mid-1970s, and it certainly added to my appreciation of his judgment when he located a fine plant in the State of Georgia. [Laughter.]

His military and defense industry experience should serve him very well in dealing with the complex task facing him as the number two official in the Defense Department's acquisition organization, a very responsible position.

So, we are delighted to have you here, Mr. Yockey, and we know that your business and industry background is going to be a real asset and complement to the work done by Don Atwood and John Betti. We are pleased to have you.

Our second nominee is Dr. Charles M. Herzfeld who has been nominated by the President to be the Director of Defense Research and Engineering, another very important position. Dr. Herzfeld is accompanied by his aunt, Professor Regina Flannery Herzfeld, and we are pleased to have her today. If you will hold up your hand. Delighted to have you.

Dr. Herzfeld also brings a distinguished career in Government and private industry to the lead research and development position in the Department of Defense. He has served in key executive positions in a number of commercial organizations over the past 15 years. Dr. Herzfeld has also worked for the Advanced Research Projects Agency in the Department of Defense. He was director of what was then called ARPA when he left Government for the private sector.

Dr. Herzfeld, we are delighted to have you here.

Mr. Gerald Cann is nominated to be the Assistant Secretary of the Navy for Research, Development, and Acquisition. Am I pronouncing that correctly?

Mr. CANN. Yes.

Chairman NUNN. He also brings a solid career in Government and industry.

Mr. Cann is accompanied by his sons, Dana and Jeffrey. If you will hold up your hands. Delighted to have you.

Mr. Cann's most recent position was Vice President of the Undersea Warfare Center of the General Dynamics Corporation. Prior to this, Mr. Cann was the Principal Deputy Assistant Secretary of the Navy for Research, Engineering and Systems, and he has worked in the Department of Defense R&D community for over 20 years. He therefore comes to this position with a solid base of experience and an understanding of the problems that he will face.

Ms. Jacqueline Schafer has been nominated by the President to be the Assistant Secretary of the Navy for Installations and Environment. This is a new position created as a result of the defense management report, and Ms. Schafer will, if confirmed, be the senior adviser to the Secretary of the Navy for policy relating to Navy and Marine Corps installations, facilities, environment and safety.

Ms. Schafer has significant experience and expertise in many areas. She was previously appointed by President Reagan to be a member of the Council on Environmental Quality in 1984. Prior to this appointment, she was a regional administrator for the Environmental Protection Agency. She also served as a professional staff member to the Senate Committee on Environment and Public Works at a time when a great deal of landmark environmental laws were passed. So, you come very well qualified, and we are delighted to have you.

All the nominees have responded to the prehearing policy questions and their answers have been distributed to the members. I ask unanimous consent that the responses of each nominee be included in the record. They will be without objection.

[The information referred to follows the hearing record.]

Chairman Nunn. We are going to do our best to complete action on these four nominees this week since we will be going out for a recess.

After doing that, the committee will have acted on 48 civilian nominations. This includes all the DOD positions requiring Senate confirmation, as far as we know. As a comparison point, the committee handled 30 nominations over the same time period in the start-up of the Reagan administration. The committee has also reported out 51,194 military nominations which were confirmed by the Senate.

The average time the committee spent processing the civilian nominations was under 2 weeks from the time the nominees completed their paperwork until the nominations were reported to the Senate. We did not take any shortcuts in terms of our review, and I think it is a tribute to the hard work and extra hours on the part of the committee members and particularly on the part of the staff on both sides of the aisle.

This is particularly true since the executive branch decided not to provide the committee with advance paperwork, such as tax returns, conflict of interest material and responses to the committee's questionnaire in advance of the formal nomination. Any of those things would have assisted the committee in moving a little more quickly, but the executive branch, for their own reasons, decided not to do that. So, we think we have done pretty well considering this very heavy load.

I will ask Senator Warner for any remarks he would like to make.

Senator **Warner**. Thank you, Mr. Chairman.

I join you in recognizing the work that our staff performs on these nominations because we, in a very thorough and meticulous way, go through the backgrounds of each of the nominees before we present the nominees to the membership of the committee as a whole.

Mr. Chairman, as we all proceed through life, there are certain days we remember, and I hope each of you, together with your families—and I underline families—remember this day for it marks the first time for some, perhaps the second for others, when the President of the United States, acting on behalf of the citizens of this country, requests the Senate of the United States to join with him in reposing in you the trust and the confidence that he and we have in your individual abilities to carry out these very important functions. And you have reached this position of recognition because of long days and years of hard work to prepare yourselves for this responsibility. And most of you have been joined by families and they deserve equal recognition for arriving at this particular day.

I am quite anxious that this committee act promptly, and I thank you, Mr. Chairman, on behalf of the President and others for moving very swiftly on these nominations as we have on all, because it is important that you take up your posts.

The Department of Defense is going to go through a most unusual period in its history. There will be reduced defense spending.

And you will be required to appear from time to time before the Congress and advocate your own viewpoints, consistent I hope with those of the President and the Secretary of Defense. But nevertheless, as the Chairman will soon state, we will ask you to speak when you come before this committee of your own knowledge and of your own free will on those issues.

I wish you luck and thank you.

Chairman **Nunn**. Thank you very much, Senator Warner.

We are going to proceed by panel, and if Mr. Cann and Ms. Schafer could find another seat there, we will proceed with Mr. Yockey and Dr. Herzfeld.

Mr. Yockey, we are pleased to have you, as I have already indicated. We will be happy to hear any statement you would like to make to the committee, and then we will call on Dr. Herzfeld. Then we will have some questions for you.

STATEMENT OF DONALD J. YOCKEY, NOMINEE TO BE DEPUTY UNDER SECRETARY OF DEFENSE FOR ACQUISITION

Mr. **Yockey**. Mr. Chairman, members of the committee, I am pleased to appear before you today as the President's nominee for Deputy Under Secretary of Defense for Acquisition. It is a great honor, and I wish to thank you for meeting with me during a particularly hectic hearing period. And I know each of your schedules are very busy, and I will be very brief in my remarks.

I have been asked why I wanted to leave my semi-retired life in California and join the defense acquisition team. There are basically two reasons.

First, I am interested in serving my country again. I retired from military service in 1966 after 20 plus years, including combat missions during World War II. I am very proud of that period of my life and felt good about whatever small contribution to national defense I may have made.

I then went on into industry, primarily working in aerospace and electronics, both commercial and defense, international and domestic. I am now older and hopefully more experienced, and I would like to make another personal contribution to government service.

The second reason is the President, the Congress, Secretary Cheney, Defense Secretary Atwood, and Under Secretary of Defense for Acquisition, Mr. Betti, are committed to implementing defense acquisition reforms. There are an awful lot of bright, knowledgeable people who have made recommendations for improving the defense acquisition process, and industry has pledged its support of changes to the process. I would like to be part of that change. I have over 40 years of defense-related experience both within the Government and in the civilian sector, and I firmly believe that reform efforts to date have been positive and that under the leadership of Secretary Cheney, the Department of Defense is squarely on the right course toward making substantial improvements in our acquisition system. If confirmed, I believe that my experience and aid can add to the progress of this improvement.

I share Mr. Betti's goal of providing the highest quality products to the field commanders, on time and on cost. I believe that achieving this goal will involve long and serious effort, but it is clearly and definitely achievable and, if confirmed, I intend to pursue this goal relentlessly.

Thank you very much, sir.

Chairman NUNN. Thank you, Mr. Yockey. Dr. Herzfeld?

STATEMENT OF DR. CHARLES M. HERZFELD, NOMINEE TO BE DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING

Dr. HERZFELD. Mr. Chairman, first of all I would like to thank you personally for your kindness shown to my aunt today. She and her now deceased husband, my Uncle Karl, had a great deal to do with my becoming the person I am today, becoming an American citizen and being able to do the things I hope to do. And I am grateful to her and I am grateful to you, sir.

Mr. Chairman, members of the committee, it is a great honor to have been nominated by the President for the position of Director of Defense Research and Engineering and for your committee to consider the nomination. When I came to this country at the age 17 years and became a citizen at age 24, both a long time ago I must say, I did not dream that I might be at this meeting with you. I am truly grateful for the opportunities that have brought me here.

These are exciting times for all of us. The last vestiges of World War II are being swept away, and freedom is moving forward everywhere. However, national security problems continue to require serious attention.

The Secretary of Defense and the Chairman of the Joint Chiefs of Staff described their views of the national security problems before this committee a few weeks ago. I am here, nominated for the position of the chief technical officer of the Department, to state my views on these key technical problems and opportunities before us and for you to examine my suitability for this appointment.

My text for this day is the statement by the Secretary and the Chairman that one of the key elements of our strategy is to maintain technological superiority. This is my charter, my objective, and my commitment.

I interpret this statement to require of me, if confirmed for the position for which I have been nominated, to see that the United States has a science and technology and engineering base that is robust and at the leading edge in the areas important for defense, that this base will be used effectively to design, build and manufacture the most capable military systems that the country needs. And, I also interpret this to mean that the science, technology and engineering base must be used imaginatively for training, for logistics and for the other functions that the Department of Defense has to discharge.

Guiding and building this technology effort is the largest challenge in R&D management in the country, perhaps in the world. I look forward to carrying out this task with the help of my respective colleagues in the Department of Defense, with the help of this committee and the rest of the Congress.

Thank you very much.

Chairman NUNN. Thank you very much, Doctor.

Let me start with a couple of questions, and then I will allow the other members to have an opportunity to ask their questions.

Mr. Yockey, this committee has promoted armaments cooperation as a potentially effective method of acquiring common defense equipment within NATO. Now, we have seen all sorts of changes in the world. NATO itself is undergoing a transformation. As you view the world now and as you view the alliance now, what role do you believe armaments cooperation will have in the next few years?

Mr. YOCKEY. Sir, I think that it continues to be extremely important and the key, of course, is to very clearly define those areas of cooperation where there is a sensible need and a continuing need that will be there over time and one that is affordable. And given all of those parameters, I think this is something we have to continue to pursue, and it goes beyond just the NATO alliance alone. We have to look on a worldwide basis wherever that type of cooperation can have a beneficial effect to our national interests.

Chairman NUNN. Dr. Herzfeld, let me ask you the same general question because you will have a big role to play in this too. Do you believe that we are going to have more need for armaments cooperation or less in the next few years?

I would say, before I turn to you for your answer, that we have taken several initiatives with armaments cooperation, but every time I turn around, a new joint program is being canceled, either by the Congress in some cases, or by the executive branch or one of the services or one of the allies. So, the noble efforts and beginnings of the last several years seem to be eroding at this point in time. And I think both of you are going to play a key role in this question. So, let me turn to you for any observations you might have.

Dr. HERZFELD. First of all, I would like to say I agree with Don Yockey completely in the way he has put the general philosophy that is appropriate here.

As a more detailed answer, we will have to be very thoughtful about which agreements we really get into. They should be programs that are really needed and desired by the U.S. military services, that are really helpful to the allies, where there is real benefit for both sides in the equation, systems that are affordable, systems that are doable, systems that are needed.

In the past, we may have suffered from not paying rigorous enough attention to these kinds of criteria, and if confirmed, I would plan to be quite exacting in this area to make sure that the things we start are really worth finishing.

Chairman NUNN. Let me suggest to both of you that based on my own observations of the last year or two, it is going to be enormously important once you make the kind of analysis, Dr. Herzfeld and Mr. Yockey, that you just both indicated needed to be made, with which I agree, that someone go on a trip and spend some time with our allies because there is considerable building and, in many cases, justifiable frustration that we have put people into programs and then dropped them. And I say we. Congress has done some of that too.

After you do that, I think it would be very helpful to come and spend some time with the people on Capitol Hill in each of the four committees as to what your list of priorities are and what allies are relying on those and try to get some consensus on that subject so we can get a few programs going, quality programs that will make a difference, and then stick to them. If we do not, this whole effort is going to come apart on us. It is coming apart right now as I see it. Somebody at high levels is going to have to pay some real attention to it. And then you are going to have to raise enough fuss to get our attention here on Capitol Hill on the key committees too.

Mr. YOCKEY. Mr. Chairman, I would agree with that observation. It would certainly be my objective to pursue that objective in the fashion you just described.

Dr. HERZFELD. I think that is just right, and I pledge to do the same.

Chairman NUNN. Terrific.

Mr. Yockey, let me ask you one other question. Everyone talks about off-the-shelf purchasing. The Packard Commission emphasized the importance of it. Congress has emphasized it over and over. It seems it is still very difficult to get it done.

Based on your commercial experience, do you have any new approaches that you are going to bring with you to try to get the Department of Defense to buy things that already exist rather than reinventing things on every occasion?

Mr. YOCKEY. Sir, in the environment that we are looking at in the future, it is absolutely essential that we pursue that objective.

The doing of it is something that will take some attention to make sure we have the ability, and I say that in the sense of contractual ability. It would be nice if we could just issue purchase orders. We are driving, as I understand it, along those lines. It will be my objective to accelerate that process as much as possible.

But to answer the question more specifically, there is enormous opportunity to be able to use off-the-shelf both components and black boxes where those exist and, in fact, will give us the reliability and the quality that we need. That is basically the tradeoff. But in some cases, we need to look and see if we cannot revisit some of our specifications to make sure that they can perhaps be brought more in balance with the type of equipment available off-the-shelf.

Chairman Nunn. Dr. Herzfeld, the report, Technology for National Security, makes the argument that there should be some management orientation on research and development programs anticipating future operational problems and new operational concepts. To that end, you stated the United States should emphasize highly innovative technology applied in highly innovative ways to achieve dramatic increases in military capability.

This goal sounds very much like the goal this committee originally set forth for what we called the Balanced Technology Initiative. That is another program that a lot of us worked hard on that appears to be eroding. It is eroding because it has not been given attention. It has not been developed with quality programs. It seems to have simply been sort of a scatter gun approach, as I view it, rather than honing in on a few technologies and doing a good job.

Have you looked at that program at all, or do you have any plans for it?

Dr. Herzfeld. Yes, indeed, Mr. Chairman. I have been briefed extensively about the reformulation of the program. I think that reformulation will be seen to be a major improvement when you see the final report on it.

And also, I have recommended and been assured that, if confirmed, this program will report directly to me. I plan to make full use of the authority and resources available with the program to pursue the objectives you cited. It is most important. I see it as a great opportunity for more work on advanced technology demonstrations and on early prototyping, and that is what we will do.

Chairman Nunn. Well, Senator Warner and I were also associated with both of those programs, getting the Balanced Technology Initiative and the joint projects with allies. And though I think they can work, I think the origin and overall concept was sound, they are not performing satisfactorily now. And if they are not working, I would rather eliminate them. I would rather eliminate them and just confess we cannot do it and turn to something else. But I believe they can be rescued, but it is going to take a lot of attention to both of those programs.

Dr. Herzfeld. I would urge, Mr. Chairman, that you give us a little time to try and show that we can do what is required, and I believe we will be able to do that.

Chairman Nunn. The one other thing I would point out just as an observation is this whole question of black programs. When we undertake a joint program and there is a black program that parallels it, we have big problems right up front. And I have been emphasizing that for 5 years with no success. If we have a problem, we need to catch it early, not late after people have invested a lot of money.

Senator Warner?

Senator **Warner**. Thank you, Mr. Chairman.

Gentlemen, as I was coming over here to this meeting today and actually earlier today in a press conference, questions were asked about a statement attributed to one of our colleagues not in the Senate, but the House. I have not verified it. Now is the time to begin to give some direct aid to the Soviet Union financially.

And it struck me that at this hearing this afternoon we would be talking to two key men who are in the technical field who will be advising the President and the Secretary of Defense on technology which we feel that we have to protect in our own interests. And while we all want to try and help the Soviet people to some extent to repair their economy, if for no other reason than human compassion, I for one am very concerned about the flow of technology from the west to the Soviet Union and possibly to certain Eastern Bloc nations which, in turn, may have some continuing relationship, either based on individual associations or collective associations, with their former colleagues in the Soviet Union.

I would like to ask each of you how you propose to view that situation. Do you view it as serious, and what would you do working with the Secretary of Defense to protect the interests of our country and those of our allies? Why don't you start, Mr. Yockey?

Mr. **Yockey**. Sir, if I may respond to that first. I, too, share that concern. I think everyone does. Any move in that direction would have to be evaluated with extreme caution.

I think that there are perhaps some technologies that are in common use that are available in one form or another. That is probably something we could live with.

But there are many other technologies that we have made huge investments in that I think, under no circumstances, should be shared in any form unless there are extremely overriding reasons to do so. And I think the answer that I can best give you at this time, sir, is that that is something that would have to be done with extreme caution, and I would most certainly see to it that any dealings I would have in that regard would be with great caution, sir.

Senator **Warner**. Thank you. Dr. Herzfeld?

Dr. **Herzfeld**. First of all, I agree very much with what Don Yockey has said. I think it is a complex issue. It is very important and has to be handled very carefully.

As you may be aware, I have been involved in working on these issues in the last few years as an adviser to Fred Ikle and Richard Perle. I believe times have changed but not all that much. I think we need to be careful about the export of militarily significant technology to any potential opponent. There are a number of threats out there in the world, as you know.

Also, we have to be aware that there are some technologies where small quantities can make a big difference. I think we need to be careful about that.

On the other hand, it is probably futile to try and control the flow of technologies that are freely available worldwide now. And you all know about the explosive growth of the semiconductor industry and optical industries and so on.

So, there will be some things that will be very hard to control, but those that we can control and that are controllable, I think we should be very cautious about and go in a measured way looking for positive responses from the prospective recipients, and go step by step carefully.

Senator **Warner**. Thank you very much, gentlemen, and thank you, Mr. Chairman.

Chairman **Nunn**. Thank you, Senator Warner. Senator Bingaman.

Senator **Bingaman**. Thank you, Mr. Chairman, and thank you for holding the hearing. I appreciate these gentlemen, and the nominees for the Navy as well, being willing to serve.

Let me just ask two questions. The first one regards the technology base. I am concerned. I have your statement in response to one of our questions, Dr. Herzfeld. You say that funding for the technology base has shrunk by 50 percent during the last 25 years. And I guess that the question that I have in light of that, the 1991 budget, that the administration sent over, again shows a cut in real terms in this funding. For example, DARPA's budget, as I understand it, is cut not just in real terms, but even beyond that in the proposal that has been sent to us.

I am concerned with that trend continuing, and I would like to get any statement you or Mr. Yockey could make about what priority we need to put on maintaining this technology base in the funding we actually do. We sort of have two ways of putting priorities on things in this town. One way is we talk about something a lot. Another way is we actually give it resources. Now, I am hoping that technology is not going to be one of those areas that we just talk about being in favor of and continue to propose major cuts in the budgeting. If either of you have a point of view on that, I would be anxious to hear it.

Mr. **Yockey**. Do you want to go first?

Dr. **Herzfeld**. Thank you very much, Don. [Laughter.]

Senator Bingaman, as you know, this is one of the key issues before us, and there are a number of easy things I could say, like I was not around when this was put together, but I guess I will not.

Senator **Bingaman**. I am just wondering about the one we get this next January.

Dr. **Herzfeld**. Sir, I will do my very best to be much clearer on that issue. I make that commitment very freely. And I must say the matter has been discussed among us before our appearance here.

These things are always questions, as you know, of balancing shortages, and where you put the shortage depends on what you think the real problem is. And as a number of us have pointed out over the last few months, including, by the way, the Secretary and the Chairman, technology as a priority must be and must remain one of the key stones of American military and defense strategy.

Now, if there are some things in the budget that are not completely in tune with that philosophy, there are 100 bureaucratic reasons why that might be the case. I think we will do the best with the resources that we will obtain, and we will be back with a new budget for fiscal year 1992. A number of us have started working informally on this, and we will start working formally as soon as we are confirmed.

Mr. YOCKEY. Sir, if I might just add to Dr. Herzfeld's response, I share his opinions in his statement there.

I might just add one more thing that it has certainly been my experience from industry—without technology, we have really no place to go. Technology is the base and the strength of this Nation, and it is something that has to be preserved in concert, of course, with our economic concerns. But it is something that I will devote a lot of attention to. I will work with Dr. Herzfeld, hopefully, to make sure and certain, if we are confirmed, we will have a meaningful approach to a technology base that would be the cornerstone of this administration's efforts.

Senator BINGAMAN. Let me ask one other question, and this is more of a question of basic approach on trying to maintain some competence and capability in particular technologies.

We have this report that came out last year from the Department of Defense indicating there are 22 areas which they consider to be critical in technology development and indicating the Japanese were ahead of us in 6 of the 22.

I guess I am concerned that much of the technology that is critical is readily available to any potential adversary we would have because it is not uniquely developed or produced here. And more and more the advances in microelectronics, semiconductors, photonics, optoelectronics, all of these, are not happening here. We are watching as those developments are being put into application in other countries more and more.

That being the case, I am concerned that we do not seem to have any real strategy or policy. In fact, we have an aversion to the idea that we should maintain some domestic capability in these areas. We are happy to cede that to our allies and really do all our planning on the assumption that as someone friendly to us has the capability to produce these technologies, we do not need to worry. That only makes sense if potential adversaries are denied the technologies. And we really cannot count on that.

So, I would be interested in any statements either of you would like to make on that. It just seems to me that reasoning in this area is a decade or two out of date, and I would be anxious to get your point of view.

Mr. YOCKEY. I might try this one first.

That is a very difficult area and a very serious area. If I might comment from an industrial experience standpoint, there are many technologies that I think American industry understands and, in fact, has been in the leadership position in the breakthroughs in the basic science involved. Each industry, of course, has to look at a long-range view of where it applies those various technologies, and I think, in that case, there have been some differences of where those interests lie.

But fundamentally, one of the problems is, is there really the underlying requirement for the application of those industries in the commercial sector? Obviously, there is, but other countries have achieved predominance in their marketing of some things on a worldwide basis. There are others where we have clearly been the leader.

As it applies to the defense industry, let us look at gallium arsenide as an example. This country has been making investments in gallium arsenide for quite some period of time, and we believe that we are in the forefront particularly in the digital application of that technology. Some of the satellites and things that we are seeing today, if it were not for the ability that we have in some of these technologies in bringing them to bear, we would not hold those positions.

So, it is quite a balancing act that we have to pursue here. And I apologize if I rambled a little bit in answering that concern, but the obvious answer is that, yes, we must be concerned to find out where we can apply it effectively and where there is a long-term need or a vision of how that is going to be and sponsor those that will give us that return. There are some others that I do not think are extremely important and we, as much as we may not like to, perhaps have to back away and favor the more important ones.

Charles, do you have anything you would like to add to that?

Dr. Herzfeld. Yes, I would like to continue this.

First of all, with respect to the lists of critical technologies, as you know, we are refining this now, and you will shortly have a report that will have an updated version of this whole program. That is good, but it is not enough.

What needs to be done next—and if confirmed, I commit myself to trying very hard to achieve that—is that these lists be used to guide the programs of the Defense Department. An increasing fraction of our effort should be spent on those key technologies. I do not think all of the resources can be spent just on the critical technologies, but perhaps much larger percentages can, should be and will be.

There is a related problem which Mr. Yockey referred to, and that is utilization of these technologies in products, in systems or in commercial products. Here I think is the real bottleneck in the United States. We will do what we can to facilitate the transport of technologies into systems. There are a number of ways to do that. It would take a little while to go through all that right now, and it is probably not necessary to do right now.

But we will do this, and it will get better. It will take a number of years before you can see a clear payoff. It did not come up overnight, and it will not go away overnight. But we are committed to working the problem very hard, and I think we know how to do it.

Senator Bingaman. Thank you. My time is up, Mr. Chairman.

Chairman Nunn. Thank you, Senator Bingaman. If you have other questions, please continue. I do not have any more for this panel.

Senator Bingaman. Let me just ask one other follow-up if I could.

This gallium arsenide that you referred to, Mr. Yockey—one of the six technology areas that was identified in last year's report that I understood the DOD indicated we were behind the Japanese in was in gallium arsenide. And one problem that we have encountered here is that the funding for this winds up in SDI's budget, SDIO's budget, and then of course they see it as a low priority. So, after Congress cuts them, they cut gallium arsenide. Then we are scrambling around trying to see if there is any way to get funds.

Is there a way that you gentlemen could see to it that in your overview of this set of issues, you also look at SDIO in a realistic way about what money they are actually going to put into some of these areas because my great sense is that their enthusiasm for pursuing a lot of this is minimal? And just as a matter of historical accident, they have wound up having jurisdiction of it. That has not been helpful in getting the kind of priority attention to these areas that they deserve.

So, that is a comment more than it is a question, but I did want to make it. Thank you, Mr. Chairman.

Chairman **Nunn**. Thank you, Senator Bingaman.

I do not think we have any other questions for either of you. We will be reviewing your nominations and all the paperwork and making sure all of that is complete, which we think it is now, and trying to get a vote on it later on this week. So, thank you very much and good luck to you. We look forward to working with you.

Mr. **Yockey**. Thank you, sir.

Dr. **Herzfeld**. Thank you very much, Mr. Chairman. I hope to see you again soon.

Chairman **Nunn**. Thank you.

I will call back up Mr. Cann and Ms. Schafer. Mr. Cann, why don't we start with you and any statement you would like to make? Then we will call on Ms. Schafer for any statement. Then we will have questions.

STATEMENT OF GERALD A. CANN, NOMINEE TO BE ASSISTANT SECRETARY OF THE NAVY FOR RESEARCH, DEVELOPMENT, AND ACQUISITION

Mr. **Cann**. Thank you very much, sir.

Mr. Chairman, members of the committee, I appreciate the opportunity to appear before you today as the President's nominee to be the Assistant Secretary of the Navy for Research, Development, and Acquisition. It is a great honor to be considered for this important position, and I sincerely appreciate your willingness to fit my hearing into your very tight schedule.

This opportunity to serve as the first Assistant Secretary of the Navy for Research, Development and Acquisition (RDA), stems from the important reforms mandated by the Goldwater-Nichols Act and by the Defense Management Review recently approved by Secretary of Defense Cheney. Let me assure this committee that if confirmed I will diligently work to see that those reforms are faithfully carried out. I welcome the opportunity to undertake this effort. It will allow me to bring to bear all of the experience that I have had in 37 years in both government and industry. With the emphasis that is being placed on budget priorities, I will, if confirmed, strive to ensure that the taxpayers' dollars are properly spent and accounted for.

I have thoroughly discussed with Secretary Garrett the importance of this position and his expectations of the job to be done. I intend to keep him fully informed of my activities and will be sure that he concurs with all major decisions. In addition, I will work with Mr. Betti, the Under Secretary of Defense for Acquisition, to implement his policies to improve the acquisition process. My personal philosophy will be to ensure that all of our activities and decisions are supported by strong, analytical efforts and that emphasis will be placed on risk minimization. In addition to initiatives in the acquisition process, the major changes taking place in the world will make this an extremely challenging job. If confirmed, I stand ready to take on this challenge.

And with that in mind, at this time I would be happy to answer any questions from the committee.

Chairman Nunn. Thank you, Mr. Cann.

Ms. Schafer?

STATEMENT OF JACQUELINE E. SCHAFER, NOMINEE TO BE ASSISTANT SECRETARY OF THE NAVY FOR INSTALLATIONS AND ENVIRONMENT

Ms. Schafer. Thank you very much, Mr. Chairman.

Mr. Chairman, as the President's nominee to be the Assistant Secretary of the Navy for Installations and Environment, I am pleased to present my qualifications to this committee.

As you have noted, the position of the ASN for I&E is a new one. By establishing it, the Secretary of the Navy is emphasizing the commitment of the senior leadership of the Department not only to effectively manage their shore establishment and base structure for the Navy and Marine Corps, but also to forward-looking programs for environmental protection and restoration, for safety, and occupational health to support the operating forces of both services into the next century. I look forward to assisting the Secretary of the Navy and accomplishing his defense management goals in these important areas.

Although my background has been primarily in the field of environment and natural resources, I expect to give full attention to the many other program areas within the cognizance of the Assistant Secretary of the Navy for Installations and Environment, including Marine Corps and Navy military construction programs, maintenance and repair of facilities, real estate policy and planning, family housing, as well as occupational safety and health. Activities attendant to base closure and realignment resulting from expected changes in the force structure will demand considerable attention in the foreseeable future.

I also hope that my environmental experience will be of benefit in carrying out the Navy Department's environmental programs. At the same time, I expect to be accountable for maintaining the proper balance between the protection of the environment and the need to safely and realistically test systems and train personnel in all aspects of Navy and Marine Corps operations.

Mr. Chairman, it is important to recognize that the services have already achieved some significant accomplishments in the pollution control area. I am confident that we will be able to build on that effort.

That concludes my statement, Mr. Chairman. I would be happy also to answer any questions you might have.

Chairman Nunn. Thank you, Ms. Schafer. Let me start with you.

How would you identify or describe the most significant challenges you will face in the environmental area based on what you know now?

Ms. **Schafer**. Mr. Chairman, the first order of business, of course, is to try to bring all aspects of Navy and Marine Corps operations into compliance with existing laws. There is a considerable backlog also of hazardous waste which must be treated and otherwise dealt with. Considerable progress is being made in that area, and we very much appreciate the support and willingness of this committee to work on that effort through the defense restoration program as well.

Beyond that, there are a number of laws that are being updated, and we will have considerable increased requirements associated with those laws. The Clean Air Act, for example, is under consideration this week.

In addition, beyond the compliance, I hope that we will be able to make environmental quality a part of the total quality management of the Navy and the Marine Corps so that it is a normal part of doing business that environmental concerns are integrated into the planning and budgeting activities of the two services in general.

Chairman **Nunn**. Ms. Schafer, has the Navy to your knowledge completed or does it have any plans to conduct a comprehensive study of its facilities to determine all areas of noncompliance with environmental laws, for instance, the Resource Conservation and Recovery Act, clean air and water acts, so forth, and to identify what will be required to bring it into compliance? Do you know whether that kind of comprehensive analysis has been made?

Ms. **Schafer**. I know that the services are well aware of their responsibilities under these environmental laws. One of my earliest tasks will be to review the situation with respect to compliance in both the Navy and Marine Corps in all of these areas. I do not know if there is such a program underway now, but certainly there will be as part of my taking on this responsibility and determining how best to deal with it.

Chairman **Nunn**. Thank you.

Mr. Cann, the former Assistant Secretary of the Navy for Shipbuilding and Logistics, Mr. Pyatt, has been very vocal in his criticism of the Navy's reorganization where the two previous ASN acquisition positions have been combined into the one for which you have been nominated. Given the size and complexity of Navy acquisition from ships to aircraft to missiles to whatever, is it reasonable to expect one person to be able to effectively manage all of this?

Mr. **Cann**. First of all, one person is not going to manage it all. I am going to be responsible for all the activities, but the structure that has been laid out through the Defense Management Review and the report that Secretary Cheney laid out has set forth, in my judgment is, a very well-structured organization to do this.

Now, I have had, as you know, previous experience in the Pentagon and the previous arrangement was very cumbersome. The relationship between the Assistant Secretary for Research, Engineering and Systems (RE&S) and Shipbuilding and Logistics never worked very well. There were always disagreements as to who had what responsibility.

I think that this is a great opportunity for the Navy to restructure its entire acquisition process. The way the new process has been laid out, with the Program Executive Order (PEO) structure and their responsibility and accountability in a tiered environment represents a wonderful opportunity to streamline and improve the whole process. So, I have great confidence, now that I have studied the Defense Management Report and have had a chance to talk to some of the key people, that this should result, in due course, in a much better process.

Chairman NUNN. So, you think this job is doable then.

Mr. CANN. Yes, sir.

Chairman NUNN. And you believe you can do it.

Mr. CANN. Yes, sir.

Chairman NUNN. What was your previous position? Deputy Assistant Secretary?

Mr. CANN. I was the Principal Deputy Assistant Secretary of the Navy for Research, Engineering and Systems.

Chairman NUNN. Was that under Mr. Melvin Paisley?

Mr. CANN. First it was under Dr. David Mann. I was a career civil servant, and I stayed until 1985. Mr. Paisley was there from the end of 1981 until he left, which I believe was 1987.

Chairman NUNN. So, how long did you overlap with him?

Mr. CANN. About 4 years.

Chairman NUNN. I understand you had certain policy disagreements with him on fixed price development contracts. Can you tell us what those policy differences were on that or any other policy difference?

Mr. CANN. Well, I had two kinds of concerns. First of all, I believe that fixed price research and development is an unreasonable way to proceed with research and development, if it is truly research and development because if you knew precisely what you were going to do, you would not have to do the research.

The problem with a fixed price R&D program is that at the very time that you are starting to run into the kinds of technical issues that always come up in these complex programs, the contractor is attempting to save money by getting his people off the program instead of putting more people on the program, which is what he really needs to do it. Also, the Government side rarely is in a position at the front end of a research and development program to carefully stipulate not only the requirements, but what the specifications need to be.

So, there is a period that is necessary where there is a give and take between the customer and the contractor and that requires a certain amount of effort. That does not mean it is a giveaway program. There are ways to control that. But of necessity, I think most research and development programs need to be on some kind of incentive cost basis.

The other issue that I was concerned about was the way the organization was set up at the time I was there. The function of the Research, Engineering and Systems staff was primarily an advisory staff. We had oversight responsibilities and review responsibilities. There was a desire to put people on source selection boards. I did not agree with that, and I tried to prevent that.

Chairman NUNN. Why did you disagree?

Mr. **Cann**. If you are going to be the one who does the reviewing and the one who approves it, you do not want to be in a position where you are also supporting the decision process.

Chairman **Nunn**. A basic conflict of interest.

Mr. **Cann**. That's right, basic conflict of interest.

And I intend, by the way, in my efforts, if confirmed for this job, to keep the staff—that is, my staff, the secretariat staff—out of that kind of activity.

Chairman **Nunn**. Thank you, Mr. Cann. Senator Warner?

Senator **Warner**. Mr. Chairman, I just wish to join you again in welcoming these two nominees. You will have my support.

I hope that you experience a measure of the joy and pride that I took in serving in the Department of the Navy, many, many years ago. It was, indeed, one of the most exhilarating and exciting chapters of my life. I try not to be partial, and hope I am not, to the services, but there is something about the old Navy.

Ms. Schafer, I was sitting here thinking about a book which is never going to make the best seller list, but it is a book describing all the old curmudgeons, proclaimed and self-proclaimed actually, that served in the Department of the Navy. And my recollection is you would be the second woman to be serving in the Department of the Navy in its 200 year history. Is that correct?

Ms. **Schafer**. Yes, that is my understanding, Senator.

Senator **Warner**. Secretary Pope being the first?

Ms. **Schafer**. That is correct.

Senator **Warner**. Well, write a little history on your own then. I think the young people in the Navy certainly want to get into the mainstream of the environmental push. Some of the old-timers might resist a little bit here and there, but I am sure you will be able to strike a happy medium between those interests, and I wish you well.

Ms. **Schafer**. Thank you, Senator.

Senator **Warner**. I recall having worked with you, Mr. Cann, on a number of occasions. You are ably suited to take on these responsibilities. We are fortunate that one with such extensive service as yours, one who is highly merchantable in the private sector would continue in public office. Good luck.

Mr. **Cann**. Thank you, sir.

Chairman **Nunn**. Thank you, Senator Warner. Senator Dixon?

Senator **Dixon**. Thank you very much, Mr. Chairman. I certainly think that Mr. Cann and Ms. Schafer are very well qualified on the basis of the information we have.

I just wanted to ask Ms. Schafer a question. Last year my subcommittee, the Subcommittee on Readiness, Sustainability and Support, directed the Navy to sell some land in Illinois and use the funds for housing at Glenview Naval Air Station. I now understand that it will be another 8 months or so before this project will come to fruition. I wonder if you would give that your personal attention. Mr. Smith of my staff, Charlie Smith, may call you on that and your consideration of whatever can be done appropriately and properly to expedite the process would be greatly appreciated.

Ms. **Schafer**. I would be happy to do that, Senator Dixon.

Senator **Dixon**. Thank you both for your willingness to serve in these important positions. We need more fine people like you.

Ms. Schafer. Thank you, Senator.

Chairman **Nunn.** You told us there were no more bases left in Illinois. [Laughter.]

Senator **Dixon.** Mr. Chairman, on my watch a lot of sad things have happened, but there are still just a few little spots of happiness left in my State. [Laughter.]

Mr. Chairman, I have prepared a statement that I would like to have included in the record.

Chairman **Nunn.** It will be made a part of the record.

[The prepared statement of Senator Dixon follows:]

Prepared Statement by Senator Alan Dixon

Mr. Chairman, this afternoon the committee meets to consider a number of Defense Department and military service nominations. I would like to take this opportunity to commend the committee staff for carefully reviewing these nominations prior to today's hearing.

All of our nominees are highly qualified for their positions, exemplifying a factor which is becoming increasingly important as the international situation continues to change dramatically.

I am also glad that this administration is finally getting a defense team in place so that critical defense issues can be addressed and solved expeditiously. I thank our witnesses for being here today and I look forward to their testimony.

Thank you, Mr. Chairman.

Chairman **Nunn.** I have been to Glenview Naval Air Station. I have been there. It is a nice place.

Let me ask one other question, Mr. Cann. I know you have had extensive experience in the area of anti-submarine warfare. In your opinion, what are the greatest technological challenges we face in ASW in the future here?

Mr. **Cann.** Well, I clearly believe the difficulty in anti-submarine warfare is that everybody is looking for a panacea, and there are few. It was always a difficult process because of the environment. And, to date, we have been relatively successful, but as other people have quieter and quieter submarines or operate diesel electric submarines in coastal areas, the challenge will be great.

I think the challenge for us is to create systems that are affordable. I believe the affordability issue is a major issue. I think there are a number of solutions that people have that will work in limited ways and, when tied together in a systematic approach, should allow us to defeat any submarines that we have to come up against. The issue will be can we afford to deploy them all or those that are necessary because each geographic area requires something slightly different because of the environment.

Chairman **Nunn.** What is your view of consolidating all nonacoustic ASW work into a single office in OSD?

Mr. **Cann.** Well, frankly, I would much rather have it in my office because I feel that the responsibility is the Navy's to work that, but since it has been laid out the way it is, I will diligently work with the Office of the Secretary of Defense to try to come to some meaningful solutions.

Chairman **Nunn.** Could you give us, Mr. Cann, your understanding of how the Program Executive Offices, so-called PEOs, will function relative to the duties and responsibilities of the various Navy systems commands?

Mr. **Cann**. Well, of course, but please realize, I have not been in the building yet.

Chairman **Nunn**. Right.

Mr. **Cann**. And I have some extensive views on what needs to be done. But as a general case, the Program Executive Officers will report to me and, of course, the Program Managers below them will report to them and come up the chain. The Systems Commander will provide services, generally speaking. He will provide contracting support and engineering support. What we will end up with is the typical matrix organizations, albeit a rather large matrix organization.

There are several challenges in making this work, but I intend to work hard with both the Systems Commanders and the PEOs to obtain what I would call MOUs to make sure that we have a clear and understandable set of responsibilities laid out for each side.

Chairman **Nunn**. I have a lot more questions. I may submit a couple of them for the record, but I am not going to detain either of you here this afternoon. You both have a lot of responsibilities coming up. These are very important jobs. You have good backgrounds for them. And we will complete these nominations hopefully this week.

Senator Thurmond has a prepared statement that he wishes to have included in the record.

[The prepared statement of Senator Thurmond follows:]

PREPARED STATEMENT BY SENATOR STROM THURMOND

Mr. Chairman: I join you in welcoming the nominees to today's hearing and wish to extend my congratulations to each of them. The fact that they have been nominated for the challenging and demanding positions is a reflection of their expertise, and the confidence the President has in their ability to serve our Nation in these difficult times.

Mr. Chairman, I know that the nominee's presence here today speaks highly of their abilities. More importantly, however, I believe it is indicative of their dedication and patriotism. I expect that all are making financial and personal sacrifices to serve in the positions for which they have been nominated. I applaud them for their willingness to take up the service to their Nation. It not only speaks highly of them, but also of our country.

Mr. Yockey, Mr. Herzfeld, Mr. Cann, and Ms. Schafer, I wish you success and want you to know I will support your nomination.

Thank you, Mr. Chairman.

Chairman **Nunn**. We look forward to working with you. We will be seeing a lot of you and dealing with you a great deal. So, good luck to both of you.

Ms. **Schafer**. Thank you very much, Mr. Chairman.

Mr. **Cann**. Thank you, Mr. Chairman.

Chairman **Nunn**. Thank you.

[Whereupon, at 3:16 p.m., the committee was adjourned.]

[Prepared questions submitted to Donald J. Yockey by Senator Nunn prior to the hearing with answers supplied follow:]

February 12, 1990.

Hon. Sam Nunn,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

Dear Senator Nunn:

Thank you for your congratulations regarding my nomination by President Bush to serve as Deputy Under Secretary of Defense (Acquisition). The nomination is an honor. If confirmed, I look forward to supporting the Under Secretary, in his efforts to improve the Department's acquisition process.

I have enclosed my responses to your questions on selected Defense policy and management issues. Your questions touch on some of the very difficult challenges faced by the defense acquisition community. I hope that you find my responses satisfactory, and look forward to our dialogue before the Committee.

Sincerely,

Donald J. Yockey.

Enclosure.

1. GENERAL DUTIES

(a). The statutory charter for the Deputy Under Secretary of Defense for Acquisition, 10 U.S.C. 133a, states that the Deputy "shall assist the Under Secretary of Defense for Acquisition" in the performance of his duties.

Question (1). Have you discussed with Under Secretary Betti the manner in which he would expect you to assist him as his Deputy? If so, what is your understanding of how you will assist the Under Secretary?

Response: Under Secretary Betti and I have a clear understanding regarding how I will assist him. If confirmed my principal duty will be to help him in the performance of his duties and responsibilities. Additionally, Mr. Betti has indicated he will assign me responsibilities for the direct supervision of the staff in the Office of the USD(A), and for the daily management of the defense acquisition process.

Question (2). Will you act as the Under Secretary's alter ego in all matters or will you have limited areas of responsibility?

Response: Duties of the DUSD(A) inherently include responsibility for acting in the USD(A)'s absence. Therefore, I anticipate being kept informed on all matters of consequence, and the USD(A)'s position, on which I might be required to act in his absence, or on his behalf. If confirmed, I expect to be the Under Secretary's alter ego.

Question (3). Will there be any matters within the Under Secretary's responsibilities which will be excluded from your cognizance?

Response: While I anticipate being involved in policy matters, as principal deputy to the USD(A) my role will be similar to that of a chief operating officer in industry, with responsibilities to implement, achieve and monitor execution of the USD(A)'s goals and objectives. I do not expect to be excluded from any areas of the Under Secretary's responsibilities.

Question (4). In what ways, if any, will your responsibilities be different from those assigned to Milton Lohr when he was the Deputy Under Secretary?

Response: I am not personally aware of what Mr. Lohr's duties and responsibilities were during his tenure.

Question. (b). 10 U.S.C. 133a(b) states that the Deputy "shall act for, and exercise the powers of, the Under Secretary when the Under Secretary is absent or disabled." What is your understanding of the circumstances in which you would act for the Under Secretary under this provision?

Response: If confirmed, I will act for the USD(A) whenever directed by him, but particularly during his leave periods.

Question. (c). Will you be assigned any duties other than those specified under 10 U.S.C. 133a?

Response: As the DUSD(A), I will serve at the pleasure of the USD(A), the Secretary of Defense, and the President. As such, I anticipate being assigned responsibilities on matters important to the USD(A) where high-level management attention is necessary.

Question. (d). If confirmed, when would you expect to assume the full-time duties of Deputy Under Secretary of Defense for Acquisition?

Response: If confirmed, I anticipate being sworn in and assuming the office shortly after confirmation.

2. RELATIONSHIP WITH OTHER OFFICIALS AND ORGANIZATIONS

(a). It has been reported that Under Secretary Betti plans to reorganize his office by adding a Deputy Under Secretary for Acquisition Planning and another Deputy Under Secretary of Defense for Total Quality Management.

Question. (1). What is your understanding of the responsibilities that will be assigned to each of these officials?

Response: The Deputy Under Secretary of Defense (Acquisition Planning) is a non-career position in the Senior Executive Service (SES), with duties in acquisition policy planning and improving liaison (in coordination with the Assistant Secretaries of Defense for Public Affairs and Legislative Affairs) with the defense industry, the media and the Congress. The Deputy Under Secretary of Defense (Total Quality

Management) is occupied by a career SES officer who will be charged with making recommendations to the USD(A) about how to incorporate the TQM philosophy throughout DOD. Both incumbents are already on board.

Question (2). What will be your role and responsibilities in relationship to these officials?

Response: The other two Deputy Under Secretaries are staff advisory positions, whereas the DUSD(A) is a line position with statutory responsibilities and authority. I will serve in a coordinating role with them to ensure that requirements and activities in my areas are integrated with theirs.

Question (3). Will either of these officials be under your supervision or will they report directly to the Under Secretary?

Response: Each of us will report directly to the USD(A). They will, of course, be under my direction when I am acting for the USD(A).

Question (4). What differences, if any, will there be between your role and the roles of these officials in terms of areas of responsibility and authority to take action with respect to: (a) other elements in the Office of the Under Secretary of Defense for Acquisition; (b) the Defense Agencies; and (c) the Military Departments?

Response: I will exercise directional authority over those parts that constitute the organization of the OUSD(A) [except the other two DUSD(A)s], which include certain Defense Agencies. The other two DUSD(A)s are staff officers to Mr. Betti and do not exercise line authority over these other offices and agencies. I will work with the Military Departments in the same manner the USD(A) does. All elements of the organization of the OUSD(A) will be subject to my direction when I am acting for the USD(A).

(b). The Under Secretary of Defense for Acquisition has supervisory responsibility over the Assistant Secretary of Defense (Production and Logistics), the Assistant Secretary of Defense (Command, Control, and Communication), and the Director, Defense Research, Development and Engineering.

Question (1). What will be your role and responsibilities in relationship to these officials?

Response: I will direct, supervise and coordinate their efforts and assist the USD(A) in assimilating and evaluating information from them for his decisions.

Question (2). Will they report to you or the Under Secretary of Defense for Acquisition in discharging their responsibilities?

Response: Each of them will report to me except for the ASD(C^3I) who will report to me for acquisition matters only.

Question (3). What differences, if any, will there be between your role and the roles of these officials in terms of responsibility and authority to take action with respect to: (a) other elements of the Office of the Under Secretary of Defense for Acquisition; (b) the Defense Agencies; and (3) the Military Departments?

Response: Each of them will continue to act within their assigned duties and responsibilities regarding the OUSD(A), the Defense Agencies and the Military Departments. When necessary, resolution of differences will fall within my management responsibilities.

Question. (c). What responsibilities, if any, will you have with respect to the following:

(1) The Defense Acquisition Board?
(2) The Defense Planning and Resources Board?
(3) The Defense Acquisition Regulatory Council?
(4) The Federal Acquisition Regulatory Council?

Response: The USD(A) will continue to serve on all boards and committees required by law and DOD regulation, including the Defense Acquisition Board, the Defense Planning and Resources Board, and the Federal Acquisition Regulatory Council. The USD(A) is in the direct chain of command for the Defense Acquisition Regulatory Council. My role is to assist him in these activities.

3. PRIORITIES

Question. (a). If confirmed, what do you consider to be the most serious management problems in need of your attention as the Deputy Under Secretary of Defense for Acquisition?

Response: As outlined in the Defense Management Report, two of the most serious management problems facing the USD(A) are program stability and streamlining the acquisition process to produce reliable, workable systems faster and at lower cost. Other problems include, but are not limited to, the defense industrial base, ethics, and the acquisition workforce.

Question. (b). What management activities and timetables would you establish to address these problems?

Response: The USD(A) is insisting on program stability, management accountability, trust between the Department of Defense and industry, reduction of micromanagement, and realistic resources planning. Certain milestones are set forth in the Defense Management Report. Most improvements are ongoing, as in continuous process improvement. As Mr. Betti has stated, acquisition reform is slow and arduous and should be measured in results rather than by reaching milestones.

4. DEFENSE REFORMS

Question. (a). Do you fully support the defense reforms mandated in the Department of Defense Goldwater-Nichols Reorganization Act?

Response: Yes.

Question (1). In your view, has the Department fully implemented all of the acquisition-related reforms mandated by the Act? If not, what areas are in particular need of attention?

Response: The Department is well on the way toward completing implementation of the acquisition related reforms provided for by the Goldwater-Nichols Act.

Question (2). If confirmed, what role do you expect to play in monitoring compliance with the Goldwater-Nichols Act in terms of the organization of acquisition functions within the military departments?

Response: Responding to the USD(A)'s direction and leadership, I will monitor compliance with the acquisition related parts of the Goldwater-Nichols Act.

Question (3). What do you expect your role to be in the process of ensuring that the acquisition objectives of the Department are consistent with the operational requirements of the combatant commanders?

Response: The military, as represented by the Joint Requirements Oversight Council and combatant commands, are the customers of the acquisition system. No system or process can be successful if it doesn't fully understand the wants and needs of the customers. I will assist Mr. Betti in carrying out his responsibilities to the combatant commanders.

Question. (b). Do you fully support the Packard Commission recommendations and the implementation plans of the Defense Management Report?

Response: Yes to both.

Question (1). What aspects of the implementation plans, if any, will come under your personal supervision if you are confirmed?

Response: I will be charged with leading, managing and monitoring implementation of the DMR and pertinent acquisition improvement laws and regulations, and supervising all reforms for which the OUSD(A) is accountable. I will work on behalf of the USD(A) with other offices within the Office of the Secretary of Defense and with the Military Departments.

Question (2). The Defense Management Report acknowledges deficiencies in the Department's implementation of the Packard Commission recommendations. If confirmed, what steps can you take to ensure that similar problems do not occur in the implementation of the DMR?

Response: My role in implementing the DMR will come primarily in acquisition process management streamlining. I will assist the USD(A) in pursuing the "cultural changes" and continuous process improvement throughout the Department as he has been doing, involving everyone at every level.

Question (3). Both the Packard Commission and the Defense Management Report called for substantially greater reliance on commercial products. Consistent with these recommendations, section 824 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 directs the Secretary to address three specific impediments to the acquisition of commercial items. Based upon your experience in industry, what opportunities do you see for greater use of commercial products throughout the DOD?

Response: I will begin effecting changes identified in the Authorization Act, and encourage DOD use of commercial items to the maximum extent practicable where they satisfy our needs.

Question. (c). Do you fully support the special operations and low intensity conflict reforms enacted in 1986? If confirmed, will you have any direct responsibility for acquisition matters particularly related to special operations and low intensity conflict?

Response: I fully support the special operations and low intensity (SO/LIC) reforms, and will work closely with the Assistant Secretary of Defense (SO/LIC) and the combatant command to ensure that SO/LIC acquisition programs are managed effectively and efficiently. I will be involved in SO/LIC programs under the purview of the Defense Acquisition Board (DAB).

Question. (d). In his statement before our committee on February 1, Secretary Cheney, in addition to noting the legislative package being developed by Secretary Marsh, recommended that Congress "review the entire statutory framework regarding defense acquisition management." This is an excellent idea. The Department of Defense, which administers the acquisition system, is in the best position to identify which statutes should be modified or repealed, and to develop supporting rationale (with examples) for each change, along with a description of the manner in which each such statute should be change. If confirmed, will you ensure that the Department provides us with such an analysis of the changes needed to streamline the acquisition system? In your judgment, what is a reasonable time frame for developing such an analysis?

Response: The Marsh Report identifies many such proposed changes. As directed by the USD(A) in his overall acquisition reform initiatives, I will work within the Department and with the Congress for a continuing appraisal of potential legislative changes. I would like to have the opportunity to evaluate the Marsh Report and other studies that may exist before making a judgment on timing.

5. ENVIRONMENTAL ISSUES

Question. (a). What is your view on the approach that the Department should take in addressing current environmental problems on DOD installations?

Response: I support the policies enunciated by Secretary Cheney concerning his commitment to make the Department a Federal Government leader in agency compliance and protection.

Question. (b). What changes, if any, should the Department make in the way it approaches acquisition issues in order to reduce the likelihood of adverse environmental consequences?

Response: I support recent Department initiatives emphasizing environmental considerations as early in the acquisition process as possible, paying particular attention to alternatives which eliminate or minimize adverse environmental impacts while satisfying system or facility performance.

Question. (c). If confirmed, what role, if any, will you play in addressing these issues?

Response: I will implement the Secretary's environmental policy through its integration into budget consideration, total quality management initiatives, and internal training, and as a routine ethic in executing our acquisition functions.

6. BASE CLOSURE AND REALIGNMENT

Question. (a). What is your view on the prospects for further base closures and realignments (beyond the candidates recently announced by Secretary Cheney) within the next 5 years?

Response: I am not knowledgeable of what the current prospects are for future recommendations, if any, on this subject.

Question. (b). If confirmed, what role, if any, will you play in the Department's internal review of the candidates recently announced by Secretary Cheney, and in the evaluation of any new candidates?

Response: I expect to play an active role in realignment matters, such as laboratory consolidations, and a supportive role in the process of base closures after approval.

7. MILITARY CONSTRUCTION

Question. (a). The Defense Department's military construction budget has been declining in recent years, and the fiscal environment will be constrained in the future. If confirmed, what will be your role in the process of prioritizing competing construction and maintenance requirements for the future?

Response: If confirmed, I will continue to rely on the service Secretaries, working with the Unified and Specified Commanders, to prioritize competing construction and maintenance requirements. This process will require each service to evaluate its facility needs based on its continuing military missions, optimizing the return on any proposed facility investment. I will emphasize finding ways to improve working and living conditions for our military people, improve productivity, save energy and maintenance costs, and protect the existing substantial investment in military facilities.

Question. (b). The Armed Services Committee has raised a number of concerns about the need for, and financing of, military construction projects overseas. In light of possible force structure changes in both Europe and Asia, as well as the need for greater burdensharing efforts on the part of our allies, what processes would you suggest that the Under Secretary of Defense for Acquisition employ to evaluate requests for overseas military construction programs?

Response: If confirmed, I will ensure that overseas construction budget requests will be thoroughly reviewed to make sure that the work that is included is essential to the mission and will be required for the foreseeable future.

Question. (c). The Commission on Base Closures and Realignments strongly emphasized the need to modernize and expand the Defense Department's training bases and ranges. What are your views on this issue as how important is it as a priority?

Response: I will undertake to ensure that our training bases and ranges receive appropriate attention within the resource planning activity and that our ranges and facilities are efficiently used.

8. ACQUISITION WORKFORCE

Question. (a). What is your understanding of the relationship between the Under Secretary for Acquisition and the Assistant Secretary for Force Management and Personnel in the development and implementation of programs to enhance the quality of the acquisition workforce?

Response: Consistent with the Defense Management Report, the USD(A) is establishing an office to oversee the training, education and career development of acquisition personnel, through which the USD(A), with the assistance of the Assistant Secretary (Force Management and Personnel), will pursue a variety of improvements.

Question. (b). What personnel issues should receive priority attention, both within the Department and by Congress?

Response: If confirmed, I will be giving priority attention to the areas of training, education and career development of the acquisition workforce.

Question. (c). If confirmed, will you have any responsibility for implementation of the acquisition workforce programs described in the Defense Management Report?

Response: I will lead and manage the USD(A)'s efforts to enhance the quality of the acquisition workforce, including monitoring the Military Services' efforts.

9. ILL WIND

Although the III Wind investigation and prosecutions continue, there has been a great deal of information made public to date.

Question. (a). What specific lessons do you think the Department can draw from the Ill Wind investigation in terms of managing the acquisition process?

Response: It is premature for me to judge, since I have not been involved in the Department's analysis of specific lessons learned from the investigations. If confirmed, I intend to work very closely with the DOD Ethics Council to determine the necessary steps to prevent this problem from recurring.

Question. (b). What changes, if any, are needed in the laws and regulations governing the acquisition system as a result of the lessons learned from the III Wind investigation?

Response: I understand that the Department is in the process of determining what laws or regulations must be changed. If confirmed, I will place a high priority on pursuing any recommended changes.

10. PRODUCT QUALITY

In recent years public confidence in the quality of DOD procurements has been seriously eroded. Total quality management has been suggested as a means to improve product quality and bolster public confidence in DOD purchases.

Question. (a). What are your views on this chronic problem in the DOD acquisition process and what are your views on total quality management and other potential solutions?

Response: Improving product quality is one of the USD(A)'s top priorities. We intend to intensify our efforts through a balance of new initiatives in traditional methods, including advanced technologies, as well as incorporating the benefits of Total Quality Management (TQM) practices. We must look for solutions wherever they may exist to allow us to focus on substantial and long lasting solutions.

Question. (b). If confirmed, what will be your role in the development and implementation of solutions to this problem?

Response: I will encourage achievement of the highest standards of quality and reliability in our products and systems that are consistent with our life-cycle cost objectives. This objective can best be achieved by a continued, well structured policy of quality management.

Question. (c). What role do you believe DOD should take in encouraging industry to implement world class quality assurance programs?

Response: The USD(A) is encouraging industry to improve their quality programs, utilizing competition to select contractors which demonstrate capacity and capability to perform.

11. LOGISTICS PROGRAMS

The committee has been concerned over funding shortfalls across a broad range of DOD logistics and support programs—depot maintenance, supply activities and real property maintenance, for example. What do you consider to be the most serious problems in the Department's logistics and support programs?

Question. What management activities and timetables would you establish to address these problems?

Response: Clearly, one of the Department's biggest problems is that we have a large, complex system that is laboring under a web of laws, regulations and directives. I will focus on the Department's current activities aimed at solving this cumbersome problem. I am not yet familiar with the timetable for these efforts.

12. FINANCING ISSUES

Question. If confirmed, what steps would you suggest that the Under Secretary of Defense for Acquisition take to ensure that the Department takes a consistent, long-range approach to the impact of contract financing policies upon the health of the defense industrial and technology base?

Response: The Defense Management Report (DMR) recognized this issue and I understand the USD(A) is in the process of developing a strategy to address it. I will assist Mr. Betti in formulating that strategy and then developing and implementing the supporting plans.

13. ARMAMENTS COOPERATION

Armaments cooperation between the United States and its allies has suffered setbacks during the last year as some prominent cooperative research and development projects have either faltered badly or collapsed outright (for example, the Modular Stand-Off Weapon System, the NATO Frigate Replacement for the 1990s, the Advanced Short-Range Air-to-Air Missile, and the 155mm Autonomous Precision Guided Munition).

Question. (a). What lessons can we learn from the problems experienced by these cooperative programs?

Response: We cannot expect international programs to compete within our budgetary process any more favorably than our own national programs, particularly in the complex research and development matters. The programs listed above experienced some or all of the following problems: excessive cost growth; irreconcilable requirements; lack of commitment to buy the product; failure to perform; or, lack of congressional funding.

Question. (b). What steps would you suggest be taken to reinvigorate the process of armaments cooperation?

Response: First, we must insist on looking carefully at what we propose for cooperative programs. There must be clear and supportable requirements with economical solutions. Second, there must be a firm resolve to stick by the agreements we—the United States, and its allies—make.

14. JAPANESE MILITARY TECHNOLOGY

Although the United States and Japan agreed on guidelines for the transfer of Japanese military technology to the United States several years ago, the FS-X project is the first joint undertaking in which *significant* Japanese military technology could flow to the United States.

Question. (a). Can certain Japanese military technology make a cost-effective contribution to the development of U.S. defense equipment?

Response: We believe so. The Department is working with Japanese counterparts to try to overcome problems with matching existing, funded military requirements with known Japanese technology.

Question. (b). How actively should the Defense Department try to identify and pursue useful Japanese military technology?

Response: There is no doubt about the potential economic and technological benefits that are possible through cooperative ventures with Japan. I believe we should establish an effective policy to obtain economic and technological capability where it is in our national interest to do so.

15. INTERNATIONAL ACQUISITION

One of the important responsibilities of the acquisition directorate within the Department of Defense is the oversight of international acquisition. If confirmed, what suggestion would you make to Mr. Betti concerning how the United States should structure its cooperation with its allies in the research, development, and acquisition of common defense equipment so that it contributes to the health of the U.S. defense industrial base?

Response: We best serve our own defense needs and our industrial base by advocating cooperative acquisition, making us better global competitors. We must also be willing to reciprocate with our allies, allowing them entry into our defense markets, to stay competitive in theirs.

16. DSB STUDY ON THE PACIFIC RIM

In September 1989, the Defense Science Board transmitted to the Secretary of Defense a report entitled *Defense Industrial Cooperation with Pacific Rim Nations.* The report made 12 specific recommendations for action by the Department of Defense. What is your view of these recommendations?

Response: After a brief examination, the recommendations appear to have merit. I understand they are being examined within the Department. If confirmed, I intend to study the Department's position on these recommendations and support the acquisition related ones which assist the Government in advancing Pacific Rim (PACRIM) contacts and ventures.

17. DEFENSE PRODUCTION ACT

The Defense Production Act will expire in August 1990.

Question. (a). Do you believe that the Act should be extended without change?

Response: The Defense Production Act should be extended but amended.

Question. (b). If you believe that the Defense Production Act should be changed, please describe the nature of those changes you would recommend.

Response: The Department has recommended changes to the Act which are included in the Federal Emergency Management Agency's submission to Congress on this subject. I am supportive of these recommendations.

18. DEFENSE TECHNOLOGY BASE

Question. (a). What are your views on the actions that should be taken to ensure that the defense technology base programs are adequately managed, funded, and executed in order to maintain U.S. defense technological superiority?

Response: More than ever the Department needs "front end" investment planning for efficient, sensible use of technology in developing weapon systems. Through the Defense Management Report, the Department is working on such an investment strategy,including research and development (R&D) laboratory structural and mission changes to improve our R&D organizations.

Question. (b). If confirmed, what role, if any, will you play with respect to the defense technology base issues?

Response: I will work closely with the Director of Defense Research and Engineering to ensure these continuing improvements are made to our R&D efforts.

19. MANUFACTURING TECHNOLOGY

Question. (a). Do you support the recommendations included in the DOD recent study entitled "Bolstering Industrial Competitiveness"?

Response: The recommendations in the "Bolstering" report represent a reasonable approach to positively address U.S. industrial competitiveness issues, particularly that the Department's acquisition policies and practices should not force industry to accept unusual financial or technological risks.

Question. (b). If confirmed, what role, if any, will you play with respect to manufacturing technology issues?

Response: If confirmed, I plan to examine the Department's current manufacturing technology issues. I would like the opportunity to study the issues in detail before I take a position on specific solutions to this very important subject.

20. BALANCED TECHNOLOGY

Question. Last year's legislative action on the Balanced Technology Initiative (BTI) reflected serious concern by Congress about the management of this program. If confirmed, what role, if any, will you take in providing that leadership and what recommendations do you have to ensure that the BTI program lives up to its true potential?

Response: The USD(A) responded to congressional concerns by overhauling the program's managerial and review structure. I will monitor closely the results of these changes.

21. EARMARKING UNIVERSITY RESEARCH FUNDS

Question. 10 U.S.C. 2361, as amended by section 252 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 reaffirms the policy of Congress favoring merit-based selection of university research projects. If confirmed as Deputy Under Secretary of Defense for Acquisition, will you oppose attempts to supersede the restrictions against earmarking in section 2361?

Response: I oppose the earmarking of the Department's funds for university research projects, which, if allowed, would be counter to Department policy for selecting university projects for funding on their scientific merit and relationship to a military function.

[The nomination reference of Donald J. Yockey follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
January 25, 1990.

Ordered, That the following nomination be referred to the Committee on Armed Services:

Donald J. Yockey, of California, to be Deputy Under Secretary of Defense for Acquisition, vice Milton L. Lohr, resigned.

[The biographical sketch of Donald J. Yockey, which was transmitted to the committee at the time the nomination was referred, follows:]

BIOGRAPHICAL SKETCH OF DONALD J. YOCKEY

Donald J. Yockey, a retired executive of Rockwell International Corporation, has over 45 years management experience in the electronics industry and military service.

Prior to retirement from Rockwell International, Donald J. Yockey was senior vice president and special assistant to the president of Rockwell International Corporation, having been named to that position in July 1986. He was also an officer of the corporation and member of the management committee.

Before that position, Yockey had been president of Rockwell's former Defense Electronics Operations, a position he assumed in November 1980. He also has served in a variety of management positions during his company career.

Yockey joined Rockwell's Autonetics Division in 1966 where he held management posts including director of the Astrionics Division; assistant general manager of the Electronic Systems and Sensor Division; and vice president of the F-111 Mark II avionics program.

In 1972, he became vice president and general manager of the Special Telecommunications System Division of Collins Radio Company. Following the merger of Collins and Rockwell in 1973, he became president of the Collins Government Telecommunications Group.

He was named president of the company's Electronic Systems Group in October 1977, and held that post until being appointed president of the former Electronics Operations in 1978.

Prior to joining Rockwell, Yockey served on active duty with the U.S. Army and U.S. Air Force for 22 years. He retired in August 1966 with a command pilot rating and rank of colonel.

He served in numerous leadership positions within business, community and civic organizations. He was a member, by Presidential appointment, of the National Security Telecommunications Advisory Committee; served on the Defense Systems Management College Board of Visitors; and was the national chairman of the board of the American Defense Preparedness Association. Yockey was also a member of the Marconi International Fellowship Council, an organization comprising scientists, businessmen, and statesmen from the United States and abroad. The council commissions creative work in the sciences through annual fellowship awards.

Active in industry electronics associations, Yockey was national chairman of the board of directors of the Armed Forces Communications and Electronics Association; a member of the board of directors of the National Science Center for Communications and Electronics Foundation; and a member of the Air Force Association and the Electronic Industries Association.

In recognition of his outstanding contributions to the free enterprise system and the profession of management, Yockey was presented the Silver Knight of Management Award by the National Management Association in 1979.

He is a business administration graduate of the University of Oklahoma.

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by Donald J. Yockey, in connection with his nomination follows:]

UNITED STATES SENATE

COMMITTEE ON ARMED SERVICES

Room SR-228

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearings and will also be published in any hearing record as well as made available to the public.

1. **Name:** (Include any former names used.)
Donald Jay Yockey.

2. **Position to which nominated:**
Deputy Under Secretary of Defense for Acquisition.

3. **Date of nomination:**
January 25, 1990.

4. **Address:** (List current place of residence and office addresses.)

[Nominee responded and the information is contained in the committee's executive files.]

5. **Date and place of birth:**

January 6, 1921; Buffalo, NY, USA.

6. **Marital Status:** (Include maiden name of wife or husband's name.)

Married. Wife: Mary Jean Czysz Yockey.

7. **Names and ages of children:**

Cheryl Jean Yockey Watkins, 42; Christine Jay Yockey Updyke, 41; Cynthia Joan Yockey Weaver, 40; Carin Jane Yockey, 37.

8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.

University of Oklahoma, 1959-1960, BBA, June 1960.
San Diego State, 1956-1959.
University of Maryland, European Ext, 1950-1951.
University of Buffalo, 1941-1942.
S. Tonawanda, NY, High School, 1937-1939, Diploma.
E. Syracuse, NY, Jr. High School, 1936-1937.

9. **Employment record:** List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.

1966-1988: Rockwell International, 2230 E. Imperial Highway, El Segundo, CA 90245.
10/77-11/78—President, Electronic Systems Group, Anaheim, CA and Dallas, TX.
11/78-11/80—President, Electronics Operations, Dallas.
11/80-07/86—President, Defense Electronics Operations, Anaheim.
07/86-10/88—Senior Vice President, Rockwell International, El Segundo and Anaheim.
10/88—Retired.

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

National Security Telecommunications Advisory Committee.
Board of Visitors, Defense Systems Management College, Fort Belvoir.

11. **Business relationships:** List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

Proprietor: DJY Associates; consultant, rancher, investor.
Consultant: Rockwell International (as DJY Associates).

12. **Memberships:** List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

Delta Sigma Pi.
Armed Forces Communications & Electronics Association—permanent director.

13. **Political affiliations and activities:**

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

None.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $100 or more for the past 5 years.

Contributions - RI Good Government Committee:
1984: Drier, R, $100; Stark, R, $250; McCandless, R, $100; Dornan, R, $100; Reagan/Bush, R, $300; Nunn, D, $100; Ray, D, $100; Darden, D, $100; Barnard, D, $100; Jepsen, R, $200; Gramm, R, $200; Barton, R, $100.
1987: Dole, R, $1,000.

14. **Honors and Awards:** List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

National Management Association Silver Knight Award.
Air Force Commendation Medal.
Air Medal with Three Oak Leaf Clusters.

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

The American Idea Factory. Vital Speeches of the Day, City News Publishing Company, November 1, 1978.

America's Surge Production Capabilities. National Defense published by American Defense Preparedness Association. July-August 1981.

Discussion Can Lead to Action. Signal published by Armed Forces Communications & Electronics Association. May 1987.

The Military-Industrial Complex. Signal. June 1988.

16. **Speeches:** Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

[Retained in committee files.]

17. **Selection:**

(a) Do you know why you were chosen for this nomination by the President?

No, but I expect it was based upon my qualifications.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

Forty years of extensive defense weapon system acquisition experience, both Government and industry. Past experience includes executive management responsibility in aircraft, space, missile, and communications and electronic programs of highest national priorities.

18. **Commitment to testify before Senate committees:** Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

Instructions to the Nominee: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

Name: Donald J. Yockey.

Part B—Future Employment Relationships

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past 10 years have your or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employers, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either, individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

DONALD J. YOCKEY.

This 30th day of November, 1989.

[The nomination of Donald J. Yockey was reported to the Senate by Senator Sam Nunn on March 8, 1990, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on March 9, 1990.]

[Prepared questions submitted to Dr. Charles M. Herzfeld by Senator Nunn prior to the hearing with answers supplied and also follow-on responses providing additional clarification on several of the questions follow:]

1. DUTIES

Question. Has Secretary Cheney or Under Secretary Betti advised you of the duties they will ask you to undertake pursuant to their authority under 10 U.S. Code 135 to prescribe those duties? If so, please describe those duties?

Response: The Secretary and the Under Secretary of Defense (Acquisition) have clearly delineated my duties as the Director, Defense Research and Engineering. If confirmed, my duties will include management of the Department's research and engineering activities, including articulation of goals; planning; preserving and strengthening U.S. technological superiority; and execution and oversight.

2. RESPONSIBILITIES AND AUTHORITY

Question. The responsibilities of the position for which you are nominated are specified in DOD Directive 5143.3. In your opinion, are there additional responsibilities, not currently assigned, that are needed to properly execute this position? Does the position carry the necessary authority to discharge these responsibilities?

Response: DOD Directive 5143.3 provides all responsibilities and authority necessary for me to execute my duties.

3. SHORTCOMINGS

Question. In your judgment, what are the most serious shortcomings in the existing Department of Defense research and engineering process? What steps do you plan to take to improve these short comings should you be confirmed as DDR&E?

Response: Upon confirmation, I will generate and implement a Research and Engineering Strategy and Action Plan to address previous weak links between national security objectives and the Department's research and engineering (R&E) effort; the vision of the role of science, engineering, and technology in weapon systems creation; the planning for R&E applications for weapon systems and other military capabilities; and how to attract and retain high caliber technical personnel.

4. MANAGEMENT SKILLS

Question. As a senior manager within the Department of Defense, and leader of its research and development activities, you will be responsible for managing an extensive organization covering a broad spectrum of different activities in a time of critical change. How do you assess your management and leadership skills to perform the duties associated with this position?

Response: My entire career has been a training ground for the position of Director, Defense Research and Engineering. I have served in universities, government laboratories, and private industry, and as Director, Advanced Research Projects Agency (now DARPA). Additionally, I have served on the Defense Science Board, Defense Policy Board, Air Force Scientific Advisory Board, and the Chief of Naval Operations Executive Panel.

5. DEFENSE MANAGEMENT

Question. What impact do you anticipate the Secretary's Defense Management Review will make on the manner in which DOD performs its research and engineering activities? What role will you have in implementing the changes resulting from this review?

Response: The Defense Management Report (DMR) will impact significantly on the Department's research and engineering (R&E) efforts. For instance, fewer and clearer regulations will make easier to manage the large, complex R&E effort. Simplifying management process will facilitate proper introduction of science and technology programs into future weapon systems.

6. DEFENSE REFORMS

Question. As DDR&E, will you fully support the defense reforms mandated in the Goldwater-Nichols Department of Defense Reorganization Act, the Packard Commission recommendations, and the Special Operations and Low Intensity Conflict Reforms? What role do you expect to play in the full and timely implementation of these reforms.

Response: As the Department's Chief Technical Officer, I will fully support the Goldwater-Nichols reorganization and Packard Commission recommendations and the Special Operations/Low Intensity Conflict Reforms, and expect to play a leading role in any research and engineering actions required by them.

7. R&D FUNDING STRATEGY

Question. Dr. William Perry, former DDR&E, recently recommended that the defense research and development budget be reduced proportionately to reductions in the overall defense budget while maintaining modest increases in the technology base component of that budget. Do you agree with this R&D investment and, if not, what would you recommend instead?

Response: Of course, I support the President's budget regarding research, development, test and evaluation requests. The technology base and related activities require a robust, growing investment to ensure future technological superiority—an edge the United States must maintain—in the likelihood of fewer weapon platforms and systems. As the Secretary and the Deputy Secretary of Defense have stated, the Department must work to maintain its research and development base.

8. TECHNOLOGY BASE FUNDING

Question. Funding for the 6.1 and 6.2 defense technology base project budgets for fiscal 1991 is slightly more than 9 percent of the total defense research and development budget. Do you believe that this is an adequate level of funding in today's defense and national economic environment?

Response: Formulating future U.S. military responses will be based in part on availability and utility of technical options evolved from the technology base. In 25 years technology base funding has shrunk by 50 percent. The solution of this problem will be important in an era of declining Defense budgets.

9. RESEARCH AND DEVELOPMENT STRATEGIC PLANNING

Question. Do you believe that the Department of Defense, in OSD and in each individual service, is doing an adequate job of long term strategic planning for its research and development activities? What plans, if any, do you have to improve the Defense Department's research and engineering strategic planning and investment strategies?

Response: If confirmed, my top priority will be to develop an integrated Department-wide Technology Strategy and Action Plan closely tying research and development strategy to national security strategy.

10. CRITICAL TECHNOLOGIES

Questions. The Congress has asked the Department of Defense to provide its plan for development of the 20 most critical defense technologies. The first plan was submitted in mid-March, 1989, and a second plan should be submitted in the near future. What is your opinion regarding their usefulness of this plan in guiding DOD's activities in developing these technologies?

Response: The 20 most critical technologies plan is an important factor in the Department's science and technology investment strategy and strategic planning process, and serves as an effective means of communicating technology needs both within and outside the Department. However, the plan addresses only weapon-related technologies. Other defense related technologies must also be strategically addressed.

11. DARPA

Question. The Defense Advanced Research Projects Agency (DARPA) is a vital element of the DOD research and development overall capability. Please describe the role that you believe DARPA should play, vis-a-vis other DOD organizations, in executing the Department's R&D program. What role will you play in guiding the priorities and programs of DARPA?

Response: The Defense Advanced Research Projects Agency (DARPA) must continue its vital role as the leading edge of many basic and applied fields, particularly in areas not addressed by the services' research and development efforts, and adapt to a changing environment. For instance, I believe DARPA should be more active in international programs and technology transfer to the United States. To this and other ends, I will stress DARPA's closer relationship to national security needs and Departmental priorities.

12. DOD LABORATORIES

Question. Department of Defense in-house R&D centers and laboratories currently face many critical problems in the areas of personnel management, contracting policy and constraints on the authority of laboratory directors. Management of the DOD laboratory assets is a key responsibility for the DDR&E. If you are confirmed for this position, what specific plans do you have to address these problems and improve the management and utilization of these laboratories?

Response: Upon confirmation, I will implement provisions of the Defense Management Report which address specific changes in the Department's laboratory management. Proven, effective management measures of several types will be implemented.

13. ARMAMENTS COOPERATION

Question. Armaments cooperation between the United States and its allies has suffered setbacks during the last year as some prominent cooperative research and development projects have either faltered badly or collapsed outright (for example, the Modular Stand-Off Weapon System, the NATO Frigate Replacement for the 1990s, the Advanced Short-Range Air-to-Air Missile, and the 155mm Autonomous Precision Guided Munition). What general lessons do you believe we can learn from the problems experienced by these cooperative programs? What are your views on the future value of armaments cooperation to the United States?

Response: Realistically, the Department should expect no more survivability of international programs than we do from U.S.-only programs, particularly research and development efforts. The Department must thoroughly evaluate program requirements and priorities in the formulation stages, the most difficult aspect of cooperative efforts, and judiciously discipline itself against pressures to cut or marginally support programs.

14. TRANSFER OF JAPANESE MILITARY TECHNOLOGY

Question. Although the United States and Japan agreed on guidelines for the transfer of Japanese military technology to the United States several years ago, the FS-X project is the first joint undertaking in which *siqnificant* Japanese military technology could flow to the United States. In your opinion, can certain Japanese military technologies make cost-effective contribution to the development of U.S. defense equipment? What will be your role in identifying and pursuing these useful Japanese military technologies?

Response: While recognizing the difficulty of achieving the appropriate balance of national security and economic considerations when choosing domestic or foreign technology dependence, I will continue to identify and utilize appropriate Japanese technologies whenever prudent, particularly in the component and subassembly areas.

15. EDUCATION

Question. Section 843 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 specifically asked the Department of Defense to examine its own programs, as well as those in other agencies, that might promote education and training in the sciences, engineering and other technical disciplines. The Department was directed to submit a report on these programs and how the most successful of them might be better capitalized. What are your views on the need to promote better science and engineering education in the United States and the proper role that the Department of Defense should play in this arena?

Response: Superior technology can be developed and maintained only by superior, well-educated and trained scientific, engineering and technical personnel. To this end, the Department is nearing completion of the congressionally-directed report on this subject and expects to present it in March.

16. BALANCED TECHNOLOGY INITIATIVE

Question. The Balanced Technology Initiative (BTI) program was originally established to provide a mechanism which could better address obvious gaps in the U.S. conventional defense through the application of "leapfrog" technologies. As originally defined, the emphasis of the BTI program tended to center on the defense of Central Europe defense against the Warsaw Pact threat. Considering the changes that have occurred during the past year relative to that threat, what should the BTI program now focus on, and what changes to its organization and approach are needed to the program at this time?

Response: I will ensure the Balanced Technology Initiative (BTI) programs are affordable, have potentially high payoffs, and can be easily integrated into our forces. BTI must emphasize systems applicable to high intensity operations, limited intensity conflicts, and special operations. I will continue the redirected organization and approach, including the direct reporting relationship between the Director, BTI, and the Director, Defense Research and Engineering, using top-down planning to identify enemy vulnerabilities which can be exploited.

17. INDUSTRIAL RESEARCH AND DEVELOPMENT

Question. A recent survey by the National Science Foundation found that, for the first time in 14 years, spending on corporate research and development in the United States did not even keep pace with inflation. In your opinion, should the United States private sector increase its share of national R&D funding and, if you think it should, what steps can DOD take to encourage a greater corporate R&D investment?

Response: United States industry should increase its funding share of national research and development (R&D). The Department is developing a streamlined cycle for independent R&D (IR&D) which will reduce significantly industry's administrative burden and be more responsive in evaluating IR&D programs. The Department is eliminating fixed price contracts for high risk R&D programs that force industry to fund related R&D, and is using cost plus contracts instead.

18. SPECIAL ACCESS PROGRAMS

Question. Management of DOD programs which are protected with special access security procedures presents unique and difficult management problems. Would you describe your approach on how these programs should be managed and the role that you anticipate having, if you are confirmed, in their management?

Response: The Department's present management structure for special access programs (SAPs) is adequate. As a member of the Defense Acquisition Board (DAB), the Director, Defense Research and Engineering has certain responsibilities for evaluating major SAPs coming before the DAB, and to assist the Under Secretary of Defense (Acquisition) in reviewing and evaluating any SAP as directed.

19. U.S. TECHNOLOGICAL STRENGTH

Question. Do you believe that the technological superiority that the United States has long enjoyed is now being threatened by other nations and, if so, what steps would you recommend that would permit our Nation to retain its global technological lead?

Response: U.S. technological superiority is eroding and threatened. Many causes are outside the Department's control. However, through the Defense Management Report's research and development-related action items, and the Department-wide Technology Strategy and Action Plan, the Department has launched an effort to counter the erosion and threat. Additionally, the Department will invest in our continuing need for dual use technology such as computers, communications, semiconductors and advanced materials.

20. DEFENSE INDUSTRIAL BASE

Question. What role should the DDR&E play in the revitalization of the defense industrial base?

Response: I will work diligently on the industrial base issue, and particularly emergency mobilization, addressing the issues of dependency and reliability of foreign sources for critical materials and components and potential U.S. vulnerability.

21. EARMARKING UNIVERSITY RESEARCH FUNDS

Question. 10 U.S.C. 2361, as amended by section 252 of the National Defense Authorization Act for Fiscal Years 1990 and 1991, reaffirms the policy of Congress favoring merit-based selection of university research projects. If confirmed as Director, Defense Research and Engineering, will you oppose attempts to supersede the restrictions against earmarking in section 2361?

Response: I strongly oppose earmarking the Department's funds for university research and construction projects, which would be counter to Department policy of competitively selecting university research projects based on scientific merit and their potential relationship to a military function.

22. NUCLEAR WEAPONS COUNCIL CHAIRMANSHIP

Question. Under 10 U.S.C. 179 the DDR&E serves as the Chairman of the Nuclear Weapons Council with membership including the Vice Chairman of the Joint Chiefs of Staff and the Assistant Secretary of Energy for Defense Programs. The Nuclear Weapons Council was established to ensure that adequate cost and performance tradeoffs are conducted early in the design and development of both new nuclear weapons and their associated weapons delivery systems. Continuing problems in the DOE, including the need to invest substantial sums in environmental restoration, facility safety improvements, and construction of new facilities, will severely strain DOE's resources for much of the 1990's.

(1) How do you plan to do to prepare yourself to serve as Chairman of the Nuclear Weapons Council,

(2) How long do you believe you will require before you are fully able to assume these duties and responsibilities?

Response: I am familiar with the responsibilities of the Chairman, Nuclear Weapons Council (NWC), as delineated in 10 U.S.C. 179; the 1987 Report to Congress by the NWC Chairman regarding the Blue Ribbon Task Group recommendations; and the NWC's 1988 Report to Congress. I will assume the NWC Chairman duties immediately upon confirmation.

SUPPLEMENTARY ANSWERS RECEIVED FROM DR. HERZFELD

3. SHORTCOMINGS

Question. In your judgment, what are the most serious shortcomings in the existing Department of Defense research and engineering process? What steps do you plan to take to improve these shortcomings should you be confirmed as DDR&E?

Response: There were several major shortcomings in the DOD research and engineering process that were identified in the Packard Commission Report, the Goldwater-Nichols Defense Reorganization Act and the Defense Management Report (DMR) to the President. In the past, the most significant shortcoming has been an insufficiently strong relationship between, on the one hand, stated national security and military needs, and on the other hand the broad objectives of the DOD research and engineering effort. The management processes used for development and acquisition involved an excessive number of management requirements that were often overlapping and contradictory. Also, the vision of the role of science, engineering, and development in the creation of weapon systems was not fully articulated. There also was inadequate interaction through the life of major programs between the military end users and the research and engineering community. Finally, the research and engineering process has needed an adequate strategy and plan that described what research and engineering is needed, for what application in what weapons systems, and for other military capabilities, how this research and engineering is to be carried out with maximum efficiency, and how the results are to be used in the design, development, manufacture, and support of weapon systems. If I am confirmed, early actions will involve the generation, dissemination and implementation of a Technology Strategy and Technology Plan that will set us on a path of steady improvement.

Another major problem is still posed by the difficulty to attract and retain technical personnel of the highest caliber. If confirmed, I plan to attack this problem early and with vigor.

5. DEFENSE MANAGEMENT

Question. What impact do you anticipate the Secretary's Defense Management Review will make on the manner in which DOD performs its research and engineering activities? What role will you have in implementing the changes resulting from this review?

Response: The Secretary's Defense Management Report will have a major and wholly beneficial impact on the DOD RDT&E enterprise and how it would operate. Many of the changes being implemented will simplify RDT&E activities. Fewer and clearer regulations and directives will make it easier to manage the large and complex effort. Clearer and simpler lines of reporting will avoid many time consuming procedures that now produce little added value. All aspects of the DMR will be helpful. The DDR&E has a leading role with the Deputy Under Secretary of Defense for Acquisition in the implementation of the reforms begun by Under Secretary Betti. For example, the DDR&E makes essential contributions to the DAB process, especially participating in the technical assessment of major programs and evaluations of technical risks at the several stages of these programs. The DMR will clarify these roles and simplify their execution. The DDR&E guides the science and advanced technology programs of the DOD which are one of the major inputs to future weapons systems. The DMR actions will simplify this management process and also facilitate the proper introduction of these new technologies into future weapon systems.

7. R&D FUNDING STRATEGY

Question. Dr. William Perry, former DDR&E, recently recommended that the defense research and development budget be reduced proportionately to reductions in the overall defense budget while maintaining modest increases in the technology base component of that budget. Do you agree with this R&D investment and, if not, what would you recommend instead?

Response: If confirmed, I will support fully the DOD budget submitted by the President and the Secretary of Defense. In particular, the RDT&E budget which deals with this question provides a prudent approach to these issues. The largest portions of the RDT&E budget are driven by weapon systems development. These activities should be funded if the weapon systems are needed. The Secretary has canceled a number of systems that are not essential or are not affordable to assure a careful use of these resources. The technology base and related activities require a robust and growing investment to ensure future technological superiority and this investment is visible in the budget. In sum, I disagree with the Perry strategy as stated in the question.

9. RESEARCH AND DEVELOPMENT STRATEGIC PLANNING

Question. Do you believe that the Department of Defense, in OSD and in each individual service, is doing an adequate job of long term strategic planning for its research and development activities? What plans, if any, do you have to improve the Defense Department's research and engineering strategic planning and investment strategies?

Response: To create an R&D strategy for a program of the size and complexity of the DOD R&D effort is difficult. The past and current levels of planning are not adequate for the fast moving events we face and the potentially dangerous future. While recent developments have reduced some of the immediate danger to U.S. national security interests in Europe, the Soviet Union is still the most formidable military power in Eurasia and should be expected to continue into the future. Political instability in many areas of the world, combined with the rapid diffusion of advanced weapons technology and weapons industry, increases rather than reduces the problems for our military forces. The recent Defense Policy Guidance provides a framework for our military strategy. A cornerstone of this strategy is technological superiority of our arms. Under these circumstances, a well articulated R&D strategy that is closely tied to our national security needs is essential. If confirmed, I plan to make it my top priority effort to generate with the help of the relevant experts, a DOD wide Technology Strategy and Technology Plan responsive to these problems, that will provide objectives, policies and priorities, as well as actions to be taken to assure our technological superiority.

11. DARPA

Question. The Defense Advanced Research Projects Agency (DARPA) is a vital element of the DOD research and development overall capability. Please describe the role that you believe DARPA should play, vis-a-vis other DOD organizations, in executing the Department's R&D program. What role will you play in guiding the priorities and programs of DARPA?

Response: DARPA is an essential element of the Defense Research and Engineering effort. It is at the leading edge of many basic and applied fields of importance to the Defense Department, and it must continue to extend this leading edge. DARPA works in areas of defense technology that are not addressed by the services' R&D, and DARPA has an outstanding ability for quick reaction work, especially prototyping. It complements the other R&D activities of the DOD in a unique and critically important way. If confirmed, I intend to help DARPA in two ways. First, I plan to give it the guidance it needs about national security needs and DOD priorities. I will support the Agency as it responds to my guidance. Also DARPA will respond to the changing environment. For example, I believe it should play a stronger role in international programs with an aim of technology transfer to the United States.

12. DOD LABORATORIES

Question. Department of Defense in-house R&D centers and laboratories currently face many critical problems in the areas of personnel management, contracting policy and constraints on the authority of laboratory directors. Management of the DOD laboratory assets is a key responsibility for the DDR&E. If you are confirmed for this position, what specific plans do you have to address these problems and improve the management and utilization of these laboratories?

Response: The DOD laboratories face difficult challenges in the areas of recruitment and retention of highly qualified scientists, engineers and managers. Out dated research-related contracting rules, and constraints on the management authority of laboratory directors and technical directors also make improvement difficult. I am greatly concerned about this. These problems, if left unaddressed, will surely compromise the effectiveness of the Defense laboratories. To address these issues, Mr. Atwood, the Deputy Secretary of Defense, recently initiated a program under which specific changes in laboratory management will be instituted on a demonstration basis, and I am confident that they will lead to increased efficiency and utilization of the laboratories. If confirmed, I intend to support this program vigorously, and, as these measures are proven effective, I expect to apply them more broadly.

13. ARMAMENTS COOPERATION

Question. Armaments cooperation between the United States and its allies has suffered setbacks during the last year as some prominent cooperative research and development projects have either faltered badly or collapsed outright (for example, the Modular Stand-Off Weapon System, the NATO Frigate Replacement for the 1990s, the Advanced Short-Range Air-to-Air Missile, and the 155mm Autonomous Precision Guided Munition). What general lessons do you believe we can learn from the problems experienced by these cooperative programs? What are your views on the future value of armaments cooperation to the United States?

Response: Though not fully aware of all the details, I certainly agree that 1989 was not a banner year for arms cooperation. As far as the list of projects cited is concerned, there seem to have operated a variety of reasons for failure; excessive cost growth, irreconcilable requirements, inability to commit to buy the product, simple failure to perform, and other problems.

One of the lessons we can draw from these experiences is that we should not expect a higher success rate from international programs than we do from U.S.-only programs, particularly R&D efforts. We must, however, place greater priority on stability in the international programs that we undertake, recognizing that some changes may be unavoidable due to a changing world situation and tight fiscal constraints.

Reaching the goal of increased stability will require internal discipline in DOD, increased cooperation by foreign countries, and a stronger performance by the private sector. Another element of the same problem is to ensure that the international programs we approve are projects of significant priority with the strong support of the Department, including the services that manage them. We need to pay closer attention to our international program formulation process. That includes a complete and thorough scrub of the requirements, the formulation of management approaches, which is the most difficult part of multinational efforts, and examination of the ability of all concerned to carry out their respective challenges and/or commitments. If confirmed, I would support emphasis on reducing the number of participants to a more manageable level. I would also support reciprocal agreements.

If confirmed, I intend to continue supporting international cooperation because of the potential benefits we can obtain. In an era of declining budgets, it makes sense to combine resources with allies and friends and to obtain products at a lower cost because of larger quantity production programs. Interoperability is also a key consideration. Last but not least, in light of current developments in Europe, I think enhanced cooperation would help strengthen the bonds of the alliance.

14. TRANSFER OF JAPANESE MILITARY TECHNOLOGY

Question. Although the United States and Japan agreed on guidelines for the transfer of Japanese military technology to the United States several years ago, the FS-X project is the first joint undertaking in which *significant* Japanese military technology could flow to the United States. In your opinion, can certain Japanese military technologies make cost-effective contributions to the development of U.S. defense equipment? What will be your role in identifying and pursuing these useful Japanese military technologies?

Response: Japanese technologies can make cost-effective contributions to the development of U.S. defense equipment. If confirmed, I shall make every effort to assure that we continue to identify and make use of appropriate Japanese technologies whenever it is prudent to do so. At the same time, I am keenly aware of the need to develop and maintain strong domestic technology capabilities, and I am aware of the difficult tradeoffs which must be made between economic and national security considerations when choosing between domestic technology, on the one hand, and dependency on foreign technology, on the other.

15. EDUCATION

Question. Section 843 of the National Defense Authorization Act for Fiscal years 1990 and 1991 specifically asked the Department of Defense to examine its own programs, as well as those in other agencies, that might promote education and training in the sciences, engineering and other technical disciplines. The Department was directed to submit a report on these programs and how the most successful of them might be better capitalized. What are your views on the need to promote better science and engineering education in the United States and the proper role that the Department of Defense should play in this arena?

Response: The vitality of U.S. science and engineering education is especially important to the Department of Defense: our national defense strategy has long been based on using superior technology, but superior technology can only be developed and maintained by superior scientific, engineering and technical personnel. Approximately 14 percent of the Nation's scientists and engineers are directly employed by DOD or under DOD contracts with industry. Of the 1 million civilians employed by DOD, over 100,000 are scientists and engineers. Also, almost three-quarters of a million enlisted men and women are technicians and require a sound basic education in math and science. DOD's role in fostering scientific and technical education is a complicated issue and one which the referenced report is intended to address. I understand that DDR&E staff is making progress in assembling the data requested and in conducting the required analyses.

There are other ways in which DOD can have a major effect on education. Among these are the development of advanced training technology needed by DOD but relevant throughout the country; the support of undergraduate and graduate students in science and technology as a consequence of our robust R&D investment at U.S. universities (about a billion dollars a year); and ways that provide practical learning opportunities for college students at R&D companies supported by the DOD.

17. INDUSTRIAL RESEARCH AND DEVELOPMENT

Question. A recent survey by the National Science Foundation found that, for the first time in 14 years, spending on corporate research and development in the United States did not even keep pace with inflation. In your opinion, should the U.S. private sector increase its share of national R&D funding and, if you think it should, what steps can DOD take to encourage a greater corporate R&D investment?

Response: In my view, the U.S. private sector should increase its share of national R&D funding. R&D well executed is one of the drivers of economic growth, so this point is of major national significance. There are steps that the DOD can and is taking to encourage greater corporate R&D investments. In the Independent Research and Development (IR&D) programs for example, a streamlined 2-year cycle is presently under development that will significantly reduce the private sector administrative burden and will provide industry a more responsive and timely evaluation of their IR&D programs. DOD can implement wider use of the Cooperative Research and Development Agreements (CRDAs) technology transfer program. In this program, the private sector develops the concepts, provides manpower through IR&D funding while working with DOD labs through a CRDA that provides any operational equipment (weapon systems) needed in developing or testing the concept. DOD and private sectors benefit by working together and obtaining more from R&D investments. Another step that DOD is taking to encourage a greater corporate investment is to eliminate the use of Fixed Price Contracts for high risk R&D type contracts that force industry to fund related R&D. By using Cost Plus type contracts where high risk R&D is required, more industry funds are available for greater corporate directed R&D investments.

Other ways DOD has to encourage increased industrial R&D is to encourage teaming for precompetitive R&D, and perhaps be more flexible about property rights involving R&D results funded jointly by industry and the DOD.

22. NUCLEAR WEAPONS COUNCIL CHAIRMANSHIP

Question. Under 10 U.S.C. 179 the DDR&E serves as the Chairman of the Nuclear Weapons Council with membership including the Vice Chairman of the Joint Chiefs of Staff and the Assistant Secretary of Energy for Defense Programs. The Nuclear Weapons Council was established to ensure that adequate cost and performance tradeoffs are conducted early in the design and development of both new nuclear weapons and their associated weapons delivery systems. Continuing problems in the DOE, including the need to invest substantial sums in environmental restoration, facility safety improvements, and construction of new facilities, will severely stain DOE's resources for much of the 1990's.

(1) How do you plan to do to prepare yourself to serve as Chairman of the Nuclear weapons Council,

(2) How long do you believe you will require before you are fully able to assume these duties and responsibilities

Response: (1) I have been made familiar with the responsibilities of the Chairman defined under 10 U.S.C. 179. Additionally, I have been briefed on the 1987 Report to Congress of the Chairman of the Nuclear Weapons Council on the implementation of the recommendations of the Blue Ribbon Task Group. I have also familiarized myself with the 1988 Report to Congress on Nuclear Weapons Council operations and recommendations for improvement. If confirmed as DDR&E, I intend to meet with the Vice Chairman of the Joint Chiefs of Staff, the Department of Energy member of the Nuclear Weapons Council, and the Nuclear Weapons Council Staff Director to discuss the recent work of the Nuclear Weapons Council and to chart the course for future action. Over the years, I have had involvement with many of the issues involving nuclear weapons design, manufacture and potential use in military conflict. However, I will familiarize myself more fully with the DOE weapons complex and the challenges facing it.

(2) If confirmed as DDR&E, I will assume the duties and responsibilities of the Chairman of the Nuclear Weapons Council immediately.

[Questions for the record with answers supplied follow:]

QUESTION SUBMITTED BY SENATOR JOHN WARNER

Senator WARNER. What are your views on the potential for an agency like DARPA using its technological capabilities to improve the educational system in America?

Dr. HERZFELD. While DARPA's work in fostering technology to support education and training for military purposes has a historical basis, DARPA has never actively sought a role in the development of technology for civilian education, since DARPA's charter specifies a military application requirement. DARPA's efforts in military training technology date back to the 1960's, and have supported, for example, the development of the PLATO computer aided instructional system; the application of artificial intelligence technology to education systems; and the information technology infrastructure underlying educational technology (such as personal com-

puters and man-machine interfaces) which have contributed to advances in education technology. But these results have been by-products of efforts aimed at improvement of military systems and functions; while dual-use technologies provide greater return on dollars invested, they have never been a goal, per se. DARPA's dual-use technology successes are well documented—but in every case, commercial success has been an incidental advantage rather than a primary goal. While DARPA's existing programs in low cost graphics processors, next-generation personal computers, flat panel display, software technology, and networking, including fiber optics, would provide a sound basis for an expanded education program, the pursuit of strictly civilian efforts, such as the improvement of the educational system in America, is outside DARPA's purview.

[The nomination reference of Charles M. Herzfeld follows:]

NOMINATION REFERENCE

As In Executive Session,
Senate of the United States,
January 25, 1990.

Ordered, That the following nomination be referred to the Committee on Armed Services:

Charles M. Herzfeld, of New Jersey, to be Director of defense Research and Engineering, vice Robert Clifton Duncan, resigned.

[The biographical sketch of Charles M. Herzfeld, which was transmitted to the committee at the time the nomination was referred, follows:]

BIOGRAPHICAL SKETCH OF CHARLES M. HERZFELD

PERSONAL DATA

Title: Vice Chairman.
Employer: Aetna, Jacobs, Ramo Technology Ventures.
Date of birth: June 29, 1925.
Place of birth: Vienna, Austria.
Citizenship: U.S. naturalized, December 6, 1949.
Marital status: Separated.
Military service: U.S. Army Ordnance Corp. (1951–1953).
Education: B.Ch.E. (Cum Laude) Catholic University of America, 1945; Ph.D., Chemical Physics, University of Chicago, 1951.

WORK EXPERIENCE

1989-present: Director, Aware Corp., Cambridge, Mass.
1987–1988: Member, Supervisory Board, Memorex N.V., Amsterdam, Netherlands.
1986-present: Director, Coordinating Technology, Inc., Trumbull, CT.
1986-present: Director, T Call Sciences, Inc., Cambridge, Mass.
1985–1988: Chairman of the Board of Directors, Westronix, Inc., Midvale, Utah.
1985-present: Vice Chairman, Aetna, Jacobs, Ramo Technology Ventures, New York, NY.
1988-present:·Director, Hecht-Nielsen Corp., San Diego, CA.
1988-present: Director, Westronix, Inc., Midvale, Utah
1981–1985: Vice President and Director, Research and Technology, ITT Corporation, New York, NY.
1979–1981: Director Research, ITT Corporation, New York, NY.
1977–1979: Technical Director, ITT Telecom Electronics Group-NA, Nutley, NJ.
1975–1977: Technical Director, ITT Aerospace, Electronics, Components & Energy Group, Nutley, NJ.
1967–1974: Technical Director, ITT Defense Space Group.
1965–1967: Director, Advanced Research Projects Agency (ARPA), U.S. Department of Defense.
1963–1965: Deputy Director, ARPA.
1961–1963: Director, Ballistic Missile Defense, ARPA.
1961: Associate Director of U.S. National Bureau of Standards (NBS).

1957-1961: Chief Heat Division, NBS.
1957-1961: Professor of Physics, University of Maryland, part time.
1956-1957: Acting Assistant Chief Heat Division, NBS.
1955-1956: Consultant to Chief, Heat Division, NBS.
1953-1957: Lecturer in Physics, University of Maryland.
1953-1956: Naval Research Lab., Washington, DC.
1951-1953: U.S. Army Physicist, Ballistic Research Lab., Aberdeen, MD.
1948-1950: Lecturer in Physics, DePaul University, Chicago
1946-1947: Lecturer in General Science, The College, University of Chicago.
1946: Lecturer in Chemistry, Catholic University of America.

COMMITTEES AND CONSULTING

Consultant, CONTEL Corp., Atlanta, GA, 1986-88.

Consultant, SAIC, San Diego, CA., 1985 to present.

Chairman, Technology Working Group, Commission on Integrated Long-Term Strategy (1986-88).

Chairman, Senior Advisory Group, Study Navy 21, National Research Council (1986-88).

Member, National Commission on Space, 1985-86.

Member, Defense Policy Advisory Board, 1983-present.

Member, Chief of Naval Operations Executive Panel, 1970-present.

Member, Senior Review Panel (Hoffman Panel) on Strategic Defense, 1983-1984.

Consultant, National Security Council.

Consultant, Office of Science and Technology Policy.

Defense Science Board, Member, 1969-1983.

Panels: (a) Arms limitation negotiations with the Soviet Union; (b) ABM; (c) Early Strategic Warning; (d) Ocean Surveillance; (e) Cruise Missile.

Air Force Scientific Advisory Board, Member, 1968-1972.

Panels: (a) Space and Missile Systems Organizations (SAMSO) Advisory Group; (b) Electronics; (c) Eglin Test Center Advisory Group.

Member, Advisory Committee for Law Enforcement R&D, National Research Council, 1975-1977.

Member, Electromagnetic Radiation Management Advisory Council, Executive Office of the President of the United States, 1970-1976.

Consultant to Assistant Secretary of the Navy (R&D), 1970-1980.

HONORS AND AWARDS

Graduation cum laude, Catholic University of America, 1945.

Carnegie Foundation Fellow, 1949-1950.

Outstanding Accomplishment Award, National Bureau of Standards, 1956.

Member, Brookings Institution Fifth Conference for Career Executives in Federal Government, "The Executive in Science", 1958.

Arthur S. Flemming Award, Outstanding Young Scientist In Government, February 1963.

Outstanding Layman in Science, National Council of Catholic Men, 1963.

Department of Defense Civilian Meritorious Services Medal, 1967.

MEMBERSHIPS—SOCIETIES AND ORGANIZATIONS

Fellow, American Physical Society.

Member, International Institute for Strategic Studies (London).

Member, Council on Foreign Relations.

Member of Board of Directors, International School for the Synthesis of Expert Knowledge.

Fellow, American Association for Advancement of Science.

Fellow Member, Hudson Institute.

Member, New York Academy of Science.

Member, American Institute of Aeronautics and Astronautics.

Member, Sigma Xi.

Member, Editorial Board, Washington Quarterly, Washington, DC.

Assoc. Editor, Journal of Defense Research (Until 1975).

Member, Catholic Association for International Peace 1955-1963 (President, 1959-61).

Fellow, Conference on Science, Philosophy and Religion (NY 1958-65).

Member, Cosmos Club (Washington, DC).

Member, Explorers Club (NY).

Member, Raritan Yacht Club (Perth Amboy, NJ).

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by Charles M. Herzfeld, in connection with his nomination follows:]

UNITED STATES SENATE

COMMITTEE ON ARMED SERVICES

Room SR-228

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearings and will also be published in any hearing record as well as made available to the public.

1. **Name:** (Include any former names used.)

Charles M. Herzfeld.

2. **Position to which nominated:**

Director of Defense Research and Engineering, DOD.

3. **Date of nomination:**

January 25, 1990.

4. **Address:** (List current place of residence and office addresses.)

[Nominee responded and the information is contained in the committee's executive files.]

5. **Date and place of birth:**

June 29, 1925; Vienna, Austria.

6. **Marital Status:** (Include maiden name of wife or husband's name.)

Divorced from Norma Krause Herzfeld, 10/24/79.
Separated from Zofia E. Dziewanowska, 6/25/88.

7. **Names and ages of children:**

Charles C. Herzfeld, 34; Thomas A. Herzfeld, 33; Paul V. Herzfeld, 30.

8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.

Name of School	Address	From(year)	To(year)	Degrees
German Realygymnasium	Budapest, Hungary	1938	1941	None
St. Julian's School	Lisbon, Portugal	1942		None
Baltimore Polytechnic Institute	Baltimore, Maryland	1942		None
Catholic University	Washington, DC	Feb. 1943	Aug. 1945	B.Ch.E. 10/25/45
University of Chicago	Chicago, Illinois	Sept 1945	Aug. 1951	Ph.D. 8/31/51

9. **Employment record:** List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.

1985–Present, Vice Chairman, Aetna Jacobs Ramo Technology Venture Group.

1981, Vice President and Director, Research and Technology, ITT Corp., New York, NY.

1979–1981, Director, Research, ITT Corp., New York, NY.

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

Chairman, Technology Working Group, Commission on Integrated Long-Term Strategy (1986–88).

Chairman, Senior Advisory Group, Study Navy 21, National Research Council (1986–88).

Member National Commission on Space, 1985–86.

Member Defense Policy Advisory Board, DOD (1983-present).

Member, Chief of Naval Operations Executive Panel, 1970-present, U.S. Navy.

Member, Senior Review Panel (Hoffman Panel) on Strategic Defense, 1983–1984, SDIO.

Consultant, National Security Council (1972–1986).

Consultant, Office of Science and Technology Policy (1970–1988).

Defense Science Board, Member, 1969–1983, DOD.

Panels: (a) Arms limitation negotiations with the Soviet Union; (b) ABM; (c) Early Strategic Warning; (d) Ocean Surveillance; (e) Cruise Missile.

Air Force Scientific Advisory Board, Member, 1968–1972.

Panels: (a) Space and Missile Systems Organizations (SAMSO) Advisory Group; (b) Electronics; (c) Eglin Test Center Advisory Group.

Member, Advisory Committee for Law Enforcement R&D, National Research Council, 1975–1977.

Member, Electromagnetic Radiation Management Advisory Council, Executive Office of the President of the United States, 1970–1976.

Consultant to Assistant Secretary of the Navy (R&D), 1970–1980.

11. **Business relationships:** List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

Aetna, Jacobs & Ramo (1985-Present)	375 Park Avenue New York, NY 10152	Vice Chairman	Salary
Westronix, Inc. (1985-Present)	6952 South 185 West Midvale, UT 84047	Member Bd. of Dir.	Stock,no salary
T Cell Sciences, Inc. (1985-Present)	840 Memorial Drive Cambridge,MA 02139	Member Bd. of Dir.	Stock options
Coordination Technology Inc. (1986-Present)	35 Corporate Drive Trumbull, CT 06611	Member Bd. of Dir.	Stock
SAIC (1985-Present)	10260 Campus Point Dr. San Diego, CA 92121	Consultant	Fees
Hecht-Nielsen Corp. (1988-Present)	5501 Oberlin Drive San Diego, CA 92121	Director	N/A
Aware Inc. (1989-Present)	One Cambridge Center Cambridge, Mass.	Director	Fees
RDA (1986-Present)	4640 Admiralty Way Marina Del Rey, CA	Consultant	Fees
Advanced Technology Inc. (1988-Present)	1515 Wilson Blvd. Arlington, VA 22209	Consultant	Fees

12. **Memberships:** List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

Name in Full	Address	Type	From	To	Office Held
*American Physical Society	New York,NY	Professional	1956	Present	Fellow
*Society of Sigma XI	New Haven,CT	Professional	1945	Present	Member
*Cosmos Club	Washington,DC	Professional	1960	Present	Member
*Int'l Institute for Strategic Studies	London,England	Professional	1966	Present	Member
Hudson Institute	New York,NY	Professional	1969	Present	Fellow
*American Assoc. for Adv. of Science		Professional	1975	Present	Fellow
*Amer. Institute of Aeronautics & Astronautics	New York, NY	Professional	1970	Present	Member
*Council of Foreign Relations	New York,NY	Professional	1976	Present	Member
*Explorers Club	New York,NY	Personal	1976	Present	Member
Raritan Yacht Club	New Jersey	Personal	1978	Present	Member
Washington Quarterly	Washington,DC	Professional	1987	Present	Member, Editorial Bd.

*I plan to retain affiliation with organization if confirmed.

13. **Political affiliations and activities:**

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

None.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $100 or more for the past 5 years.

1988

5/30	GOP Victory Fund	200.00
6/11	GOP Senatorial Club	300.00
6/5	Republic, Nat. Comm.	200.00
9/5	Dawkins for Senator	100.00
10/22	Nat. Republican Senatorial Campaign	300.00
10/9	GOP Presidents Fund	200.00
11/1	GOP Presidents Fund	200.00
11/1	GOP Victory Fund	200.00
		$1,700.00

1987

8/9	GOP Victory Fund	50.00

1986

9/28	Republican Nat. Comm.	200.00
10/20	Republican Nat. Comm.	200.00
8/17	Republican Nat. Comm.	200.00
		600.00

1985

9/15	Republican Nat. Comm.	100.00
9/15	Nat. Republ. Senate Comm.	200.00
9/15	GOP Victory Fund	200.00
		500.00

1984

3/17	Republ. Nat. Comm.	100.00
3/28	Republ. Nat. Comm.	100.00
8/5	Nat. Republican Congressional Comm.	100.00
8/5	Nat. Republican Senatorial	100.00
10/27	Republican Nat. Comm.	100.00
10/27	GOP Victory Fund	100.00
		600.00

14. **Honors and Awards:** List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Graduation cum laude, Catholic University of America, 1945.
Carnegie Foundation Fellow, 1948.

Fleming Award, Washington, DC, 1963.
Several citations and awards at NBS and DARPA.
U.S. Department of Defense, Meritorious Service Medal, 1967.
Catholic Layman of the Year, 1963.
Fellow, American Physical Society, 1960.
Fellow, American Association Advancement of Science, 1979.
Department of the Navy Meritorious Public Service Citation, June 16, 1982.

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

[Contained in committee files.]

16. **Speeches:** Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

[Contained in committee files.]

17. **Selection:**

(a) Do you know why you were chosen for this nomination by the President?

I believe the Secretary of Defense recommended my nomination to the President, based on my extensive research and development experience in both Government and in private industry.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

Extensive experience in R&D management qualifies me for this appointment.

18. **Commitment to testify before Senate committees:** Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

Name: Charles M. Herzfeld.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past 10 years have your or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employers, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either, individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

CHARLES M. HERZFELD.

This 23d day of January, 1990.

[The nomination of Charles M. Herzfeld was reported to the Senate by Senator Sam Nunn on March 8, 1990, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on March 9, 1990.]

[Prepared questions submitted to Gerald A. Cann by Senator Nunn prior to the hearing with answers supplied follow:]

MARCH 1, 1990.

Hon. SAM NUNN,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter of February 13, 1990, enclosing a number of questions regarding my views on issues related to defense acquisition policy and management. My answers are enclosed. I look forward to the opportunity to discuss these or any other issues of interest at the committee's convenience.

Sincerely,

GERALD A. CANN.

1. DUTIES

Question. Has Secretary Garrett advised you of the duties he will ask you to undertake pursuant to his authority to prescribe the duties of the Assistant Secretary of the Navy? If so, please describe those duties.

Answer. Yes, Secretary Garrett and I have discussed at length the responsibilities of the new Assistant Secretary position. The key elements of the duties of the position are:

—Serving as Department of the Navy (DON) Acquisition Executive.

—Serving as the Navy Senior Procurement Executive.

—Establishing acquisition policy, procedures and oversight for DON research, development, production, shipbuilding and logistics.

—Directing and supervising the Program Executive Officers, Navy Systems Commanders and the Commanding General, Marine Corps Research, Development and Acquisition Command in their research, development and acquisition efforts.

—Establishing policy for the training and development of the acquisition workforce.

—Providing oversight to the Navy's technology base and advanced technology development investment through the oversight and supervision of the Navy Laboratories, R&D centers and Office of the Chief of Naval Research.

—Implementing within the DON policy, procedures and direction promulgated by the Under Secretary of Defense for Acquisition.

2. RESPONSIBILITIES AND AUTHORITY

Question. 6. In your opinion, are there additional responsibilities, not currently assigned, that are needed to properly execute this position?

b. Does the position carry the necessary authority to discharge these responsibilities?

c. Have the responsibilities of the position for which you are nominated been specified in DOD and/or Navy Directives?

Answer. The duties to be assigned to the Assistant Secretary of the Navy (Research, Development and Acquisition) under the Navy's Defense Management Report implementation plan provide the full responsibility and authority necessary to execute this position. I believe that the position has the appropriate responsibilities and the authority needed to go with it. The Department of the Navy implementing regulation is expected to be issued soon.

3. NAVY ACQUISITION ORGANIZATION

Question. a. Please describe how the Navy has reorganized its acquisition structure and, in particular, what role the Chief of Naval Research and the Director, Research and Development Requirements, Test and Evaluation (OP-098) will play in the restructured organization?

Answer. The Navy plan for implementing the Defense Management Report represents a major change in the acquisition structure. Specifically the plan:

—Designates the Assistant Secretary of the Navy (Research, Development, and Acquisition) (ASN(RD&A)) as the Navy Acquisition Executive, Navy Senior Procurement Executive, and Senior DON Information Resource Management Official.

—Provides a streamlined chain of command directly from the ASN(RD&A) through Program Executive Officers (PEOs) for assigned acquisition programs, or SYSCOM Commanders for programs under their cognizance, to acquisition Program Managers.

—Transfers the information resource management function from the ASN (Financial Management) to the new ASN(RD&A).

—Consolidates oversight responsibility for international aspects of research, development and acquisition programs in a single office under the ASN(RD&A).

—Establishes a Director for Acquisition Workforce Education and Training reporting to the ASN(RD&A), to coordinate and oversee planned enhancements of DON military and civilian acquisition professional programs.

The Chief of Naval Research (CNR) has significant responsibilities for policy and oversight pertaining to 6.1, 6.2 and 6.3A funds, Corporate Laboratories and Navy R&D Centers. The statutory position of the Chief of Naval Research does not change in this reorganization; the CNR reports directly to the ASN(RD&A). The CNR's responsibilities are expanded to encompass providing SECNAV and the NAE advice in all policy matters concerning Technology Base and Advanced Technology Development, and for providing policy oversight to Navy R&D Centers.

In consonance with the Goldwater-Nichols Act and the Defense Management Report, the Chief of Naval Operations has realigned the functions of the Director, Research and Development Requirements, Test and Evaluation (OP-098). The resulting organizational structure is distinct from, but complementary to that of the new ASN(RD&A). The Director will:

—Serve as resource sponsor for all RDT&E field activities, including laboratories, RDT&E Centers, T&E ranges, T&E targets and simulators, Commander, Operational Test and Evaluation Force (COMOPTEVFOR), and all associated RDT&E equipment and personnel.

—Serve as resource sponsor for Navy Science and Technology (6.1, 6.2, 6.3A) investments.

—Manage for the CNO the operational T&E process, including:

—establishing and promulgating policy and procedures regarding the conduct of operational T&E

—coordinating preparation of T&E documentation

—coordinating scheduling of fleet services, where necessary

—providing principal liaison with COMOPTEVFOR regarding operational T&E requirements and execution

—Establish and promulgate policy and procedures governing development of Navy R&D requirements.

—Provide principal liaison between the CNO and operational force commanders regarding establishment of R&D requirements and the rapid prototyping process.

—Establish and promulgate Navy science and technology requirements.

Question. b. What will the relationship of these two positions be to the ASN(RD&A) and to the CNO?

Answer. The statutory position of the Chief of Naval Research (CNR) does not change in this reorganization: the CNR reports to ASN(RD&A). The CNR's responsibilities encompass providing advice in all policy matters concerning Technology Base and Advanced Technology Development, and for providing policy oversight to Navy R&D Centers. This expanded organization brings together oversight of all Science and Technology funding (6.1, 6.2 and 6.3A), CNR Corporate Laboratories and Navy R&D Centers. While no formal relationship exists between the CNR and the CNO, the CNR will obviously maintain open lines of communication and provide information as needed, as required by 10 USC. The Director, Research and Development Requirements, Test and Evaluation (OP-098), will report to the CNO directly.

Acting for the CNO, OP-098 will work closely with ASN(RD&A) to ensure ongoing efforts are well coordinated to meet DON Research and Development requirements and will assist in resolving Test and Evaluation issues.

4. SHORTCOMINGS

Question. a. In your judgment, what are the most serious shortcomings in the existing Department of the Navy's Research, Development and Acquisition process?

Answer. I have been away from the Government side of the process for nearly 5 years, and I am confident that my perception of any shortcomings in the Navy's RDT&E and acquisition processes will become more focused after I have reentered government service. There are several areas that troubled me in the past. They include:

—TECHNICAL ACHIEVABILITY
—ENVIRONMENTAL CONSIDERATIONS
—COST AND SCHEDULE REALISM
—TEST AND EVALUATION REQUIREMENTS
—PRE PLANNED PRODUCT IMPROVEMENT (P3I)

Question. b. What steps do you plan to take to improve these shortcomings should you be confirmed as ASN(RD&A)?

Answer. I will work with my staff, the Program Executive Officers, Systems Commanders, Commanding General, Marine Corps Research, Development, and Acquisition Command and direct reporting Program Managers as well as the appropriate portions of the Chief of Naval Operations and Commandant of the Marine Corps staffs to ensure excellent performance in each of the areas noted above. If confirmed, I would plan to proceed to make improvement in the areas I have mentioned:

—TECHNICAL ACHIEVABILITY requires a strong analytical basis for the initiation of any program. To this end I would use the entire organization, as well as appropriate assistance from CNA, the Government and university laboratories, research centers and industry to ensure technical achievability before proceeding to Milestone I. Technical achievability will continue to be validated throughout the development process.

—ENVIRONMENTAL CONSIDERATIONS, such as the electromagnetic environment, acoustic conditions, and weather fluctuations in which the system under development is intended to operate will be considered during program formulation. I would intend to ensure that the product of the developmental process performs adequately not only in the "perfect world" but in the real world at sea.

—COST AND SCHEDULE REALISM will be emphasized through in-depth analysis of program risk. Programs will be dissected on a functional basis and the cost and schedule risk evaluated by functional area.

—TEST AND EVALUATION REQUIREMENTS will continue to receive top management focus. The bottom line will be how well the system performs at sea. I strongly support the independence of COMOPTEVFOR.

—PRE PLANNED PRODUCT IMPROVEMENT will receive formal attention during program formulation. P3I will provide the mechanism for technology insertion during a program's tenure in the inventory.

5. CINC REQUIREMENTS

Question. One of the principal responsibilities of the Secretary of the Navy is to fulfill the current and future operational requirements of the unified and specified combatant commands. To what extent do existing Navy processes and procedures ensure that those requirements are known and fully considered in the Research, Development and Acquisition activities of the Navy?

Answer. Within the DON, The Chief of Naval Operations and the Commandant of the Marine Corps are responsible for the articulation of the requirements to meet the warfighting needs of the Navy and Marine Corps. I understand that the role of the Joint Requirements Oversight Council (JROC) in validation and prioritization of requirements among the services has also been considerably enhanced pursuant to the Defense Management Report. I believe there is a sound process to gather input from the CINCs and reflect their needs in the various Warfare Master Plans. If confirmed, I intend to work with the Director of Naval Warfare and the Director for Research and Development Requirements, Test and Evaluation on the CNO's staff and the Commandant of the Marine Corps' staff to translate properly validated warfighting requirements into programmatic definition for particular systems. My office will then strive to meet these Navy needs through effective and efficient management of the development and acquisition process, with affordability as a primary objective.

6. RELATION TO DEFENSE ACQUISITION EXECUTIVE

Question. As the Navy's Acquisition Executive, how do you view the relationship that should exist between yourself, as a Service Acquisition Executive, and the USD(A) acting as the Defense Acquisition Executive?

Answer. Department of Defense Directive 5134.1 of August 8, 1989, assigns responsibilities and authority to the Under Secretary of Defense (Acquisition) (USD(A)). It clearly states that he may issue direction to the Secretaries of the Military Departments and that he will work with the Service Acquisition Executives. I understand that in practice the Under Secretary of Defense (Acquisition) issues formal direction when necessary to the Secretaries of the Military Departments addressed to the attention of and for implementation by the Service Acquisition Executives, and addresses routine matters directly with the SAEs. This practice seems to me to acknowledge the comprehensive statutory responsibility of the Secretaries of the Military Departments and the comprehensive statutory acquisition authority of the Under Secretary of Defense for Acquisition, while enabling the efficient operation of the USD(A)/SAE/PEO/PM acquisition management chain. I know that Secretary Garrett is fully supportive of the USD(A)'s authority and this manner of doing business. I am too, and I plan to work closely with USD(A) to improve the efficiency and effectiveness of Navy acquisition programs. I believe my previous experience in the Office of the Secretary of Defense, as well as with the Department of the Navy will be useful in this regard.

7. DEFENSE MANAGEMENT

Question. a. What impact do you anticipate the Secretary's Defense Management Review will have on the manner in which the Navy performs its research and engineering activities?

Answer. It is clear to me from the Navy's initial implementation plan for the Defense Management Report (DMR) that the changes in the Navy's Development and Acquisition efforts result in a complete overhaul of the process. Implementation of the DMR will provide for consolidated and streamlined processes with a clear chain of authority and responsibility directly to the Assistant Secretary of the Navy (Research, Development, and Acquisition).

Question. b. What role will you have in implementing these changes in Navy acquisition resulting from this review?

Answer. If confirmed, I will have full authority and responsibility for DMR implementation within the DON research, development and acquisition establishment. This process must move rapidly and avoid any ambiguity during the transition period.

8. DEFENSE REFORMS

Question. a. If confirmed as Assistant Secretary of the Navy (Research, Development and Acquisition), will you fully support the defense reforms mandated in the Goldwater-Nichols Department Of Defense Reorganization Act, the Packard Commission recommendations, and the special operations and low intensity conflict reforms?

Answer. Yes.

Question. b. What role would you play in the full and timely implementation of these reforms?

Answer. I believe my role would be a key one in supporting Secretary Garrett's expressed commitment to full compliance with the pertinent provisions of the Goldwater-Nichols Act and the principles embodied in the Packard Commission Report and the Defense Management Report. That commitment is, of course, reflected in the creation of the position to which I have been nominated, which will ensure full compliance with the requirements of 10 U.S.C. Section 5014 that a single office or entity be established within the Office of the Secretary with sole responsibility to conduct, respectively, the research and development and acquisition functions within the headquarters elements of the DON. It is all reflected in the DON plan to establish seven new Program Executive Officers and three program managers with full-time responsibility for the development phases of major DON acquisition programs each of whom will report solely and directly to the Navy Acquisition Executive on all matters affecting cost, schedule and performance of assigned programs. This furthers implementation of streamlined acquisition decision-making within the

Navy and Marine Corps. If confirmed, I look forward to moving aggressively with my PEOs, Direct Reporting PMs and the System Command commanders who will support them and report to me for the management of other acquisition programs, to ensure establishment of efficient, accountable management relationships as well as implement this new structure. I will also ensure that the DON acquisition establishment continues to provide full support for the many reform initiatives currently underway led by Under Secretary Betti's efforts to streamline the acquisition process itself.

With regard to special operations and low intensity conflict reforms, I have not had an opportunity fully to review what my role in implementation might be. I will strive to ensure that the DON acquisition system fully supports the materiel needs of naval special operations units and to take any action within my area of responsibility needed to promote full and timely implementation of these reforms.

9. PACKARD COMMISSION RECOMMENDATIONS

Question. a. To what extent has the Navy implemented the directions of the Packard Commission in revising its acquisition procedures?

Answer. The DON has implemented the Packard Commission's recommended three-tier acquisition reporting chain by establishing the Navy Acquisition Executive and designating the Navy weapon system Commanders as Program Executive Officers for assigned major acquisition programs. If confirmed, I will continue the Navy's strong and successful effort to streamline acquisition management and procedures.

Question. b. What directions have not been fully implemented and what role will the ASN(RD&A) have in implementing these directions?

Answer. The Defense Management Report emphasizes the Commission's objective of achieving streamlined, intensive management of high-dollar, high-risk programs. The DON plans to implement this aspect of the DMR by designating the position for which I have been nominated as the NAE, and by establishing PEOs separately from the System Commands for full-time management of the development phases of major acquisition programs. If confirmed, I will be responsible to the Secretary of the Navy to implement these organizational changes within the DON.

In my view, further effort is also required to achieve the Commission's intent of reducing the diffusion of authority and accountability which results from multiple layers of review in the program management process and enhancing the role of the program manager. I strongly support the principle of managing programs through identifiable, accountable managers rather than staff organizations. In that regard, I strongly support Secretary Garrett's determination to streamline the Navy Secretariat acquisition staff by more than 20 percent and push substantial decision authority down to our program managers and their supervising PEOs and System Commanders. I will give top priority to implementing these plans, and believe that we can go even further in reducing overhead structures based upon modern principles of management. We must focus upon accountability for getting the job done right the first time rather than burying our decisionmakers under multiple layers of review. I look forward, if confirmed, to working with Secretary Garrett and Under Secretary Betti to establish these principles as the core of the Navy acquisition management system.

10. ILL WIND

Question. Although the Ill Wind investigation and prosecutions continue, there has been a great deal of information made public to date. What specific lessons have you drawn from such information in terms of managing the acquisition process?

Answer. In my view, two very salient points emerge. The first is the apparently sophisticated nature of much of the misconduct which has thus far been prosecuted, including use of fake deliverables, shell corporations and offshore bank accounts to evade detection. This sophistication is reflective of a great deal of calculation among those involved, and requires that we invest sufficient resources in deterrence, detection and, where necessary, prosecution. I understand that Secretary Garrett has determined to dedicate Naval Investigative Service fraud investigators to our major acquisition commands to enhance training and awareness among our personnel, and to provide real-time investigative and prosecutive support where necessary. I fully support this initiative, and, if confirmed, will work aggressively with NIS to implement it as we transition to our new acquisition management structure.

The second point is the particular opportunities created at certain points in the procurement process for misconduct to undermine the integrity of the competitive process. The best example, perhaps, is the situation where more than one Best and

Final Offer (BAFO) is required to conclude the procurement, and the content of the initial round of BAFOs suddenly becomes a valuable, commodity which some may seek to obtain illicitly. I believe the DON and the Department of Defense have taken appropriate action to limit such opportunities, through restricting the use of multiple BAFOs and similar actions. If confirmed, I will continue to monitor information emerging from Ill Wind and other such investigations, to determine and apply any lessons learned to ensure the integrity of the DON procurement process.

Although the number of Government personnel involved to date has been few, we are also reminded generally by Ill Wind of the necessity to set and enforce high, clear, consistent standards of ethical behavior for all personnel involved in the acquisition process. I consider this to be a personal responsibility of leaders at every level. If confirmed, I intend to lead by example as well as precept in this regard. I also look forward to supporting the work of the DOD Ethics Council established pursuant to the Defense Management Report to clarify and simplify ethics guidance and strengthen training programs throughout DOD.

11. TECHNOLOGY BASE FUNDING

Question. Funding for the Navy's 6.1 and 6.2 defense technology base project budgets for fiscal 1991, while increased from the amount available for fiscal year 1990, still is less than 10 percent of the total Navy research and development budget. Do you believe that this is an adequate level of technology base funding in today's defense and national economic environment?

Answer. For naval forces as much or more than any other, research and development provide the essential means through which we maintain our warfighting edge. The Navy Technology Base funding for fiscal year 1991 is 9.5 percent of the total R&D budget, a full percentage point increase from the 8.5 percent in fiscal year 1990.

I have not been in a position since leaving Federal service in 1985 to look at the Navy's Technology Base content or to examine the adequacy of the funding allocated. Historically, I have always strived to maintain a technology base investment at the 10 percent level. Since the fiscal year 1991 budget is close to that number the balance is probably adequate.

12. RESEARCH AND DEVELOPMENT STRATEGIC PLANNING

Question. a. Do you believe that the Department of the Navy is doing an adequate job of long term strategic planning for its research and development activities?

b. What plans, if any, do you have to improve the Navy Department's research and development strategic planning and investment strategies?

Answer. I have not reviewed the strategic planning process since my nomination. However, I can assure you that I am a strong advocate of good strategic planning. Recent world events have demonstrated to us all that an effective strategic plan must be dynamic, not static. I believe the Navy's development process must be supported by strong analysis coupled with a good understanding of requirements. If confirmed, I intend to review in depth the existing procedures and provide input to the Secretary and direction to the development and acquisition organization to support a robust strategic planning process.

13. CRITICAL TECHNOLOGIES

Question. The Congress has asked the Department of Defense to provide its plan for development of the 20 most critical defense technologies. The first plan was submitted in mid-March 1989, and a second plan should be submitted in the near future. What is your opinion regarding the usefulness of this plan in guiding the Navy's activities in developing these technologies?

Answer. I support the approach of periodic formulation of a list of what are considered "critical technologies". This approach provides the Government and industry focus on technologies that have promise for inter-service application. The process must be flexible enough to respond to the emergence of innovative concepts.

I will review the current plan with a focus on the criteria for selection. Technologies on the list should hold promise for some or all of the following:

—Significant performance gain
—Implementation
—Affordability
—Dual use with the commercial world

14. NAVY LABORATORIES

Department Of the Navy in-house R&D centers and laboratories currently face many critical problems in the areas of personnel management, contracting policy and constraints on the authority of laboratory directors.

Question. a. If you are confirmed in this position, will you have oversight responsibilities over the Navy laboratories?

Answer. If I am confirmed, I would have full oversight over the Navy laboratories.

Question. b. How effective is the Navy's research and development laboratory system?

Answer. Clearly the Navy laboratories have done and continue to do good work that is essential to meeting the needs of the Navy. Their individual effectiveness varies as one would expect in any large enterprise. I believe that there is always room for improvement. If confirmed, I intend to work to make each laboratory fully responsive and supportive of the Navy's future research and development needs.

Question. c. What specific plans do you have to improve the management and utilization of these laboratories?

Answer. There is a major DOD study ongoing which is reviewing the service laboratory system and examining the potential for consolidation, streamlining and enhancement of its productivity. If confirmed, I will participate actively in this study process, and would be responsible to the Secretary of the Navy and the USD(A) for implementation of any approved recommendations within the DON. If confirmed, I would intend to do so prior to undertaking any unilateral laboratory reform.

Question. d. Will the Director of Navy Laboratories continue to report to the Commander, Navy Space and Warfare Command?

Answer. The Navy's implementation plan for the Defense Management Report does not alter the current relationship in which the Director of Navy Laboratories reports to the Commander, Navy Space and Warfare Command. If confirmed, I intend to review the appropriateness of this relationship and recommend any changes to the Secretary of the Navy by October 1, 1990.

15. ARMAMENTS COOPERATION

Armaments cooperation between the United States and its allies has suffered setbacks during the last year as some prominent cooperative research and development projects have either badly faltered or collapsed outright (for example, the NATO Frigate Replacement for the 1990s, the NATO AAW system, and the Advanced Sea Mine program).

Question. a. What general lessons do you believe we can learn from the problems experienced by these cooperative programs?

b. What are your views on the future value of armaments cooperation to the United States?

Answer. This is an area where I believe we can make significant improvements. During the last year, at the Secretary of the Navy's request, I had the privilege of chairing a Naval Research Advisory Committee summer study on International Research and Development. There were many important lessons learned from the study. Four issues which were identified as most likely to impede progress on any cooperative international programs are:

—Agreement on requirements
—Disclosure of technical data
—Financial arrangements
—Work Sharing (Division of Effort).

The above issues are general in nature and require some very specific actions to be resolved effectively. It is important to note that there are major differences between the Government/industry interfaces in countries which might be candidates for cooperative R&D with the United States. Some of the rules which I feel must be adhered to include:

—Establish budget and country priority with participating countries.
—Have a single program office.
—All parties should put money up front.
—Determine procurement rules.
—Agree on project funding to include handling of cost growth.

In summary, I believe that international arms cooperation can be extremely useful but must be approached in a very business like manner.

16. BALANCED TECHNOLOGY INITIATIVE

Question. a. The Balanced Technology Initiative (BTI) program was originally established to provide a mechanism which could better address obvious gaps in the U.S. conventional defense through the application of "leapfrog" technologies. What role does the Navy foresee for the BTI program?

b. How does it fit in with other Navy development plans?

Answer. I certainly concur with the roles implied by the criteria outlined in the January 1990 DOD BTI report to Congress, particularly the following:

—Pursue multi-service or multi-mission technologies

—Respond to emerging needs, threats, or technologies more rapidly than the normal POM cycle would allow

—Have sufficient user community support to provide reasonable chance of operational payoff in 5–7 years.

The BTI Program appears to be well-suited to address the development of high payoff emerging technologies, especially those which have a multi-service character. BTI has the potential to be a key program in the transition of very broadly applied and very high payoff technologies.

Navy BTI projects are being developed in concert with the identified technology transition sponsor, to ensure that a mutually agreed-upon plan exists for transition of the technology at the conclusion of demonstration. As a result, because both the developers and the users of the BTI technology are intimately involved in the proposal and selection process within Navy, the BTI proposals are complementary to ongoing development projects.

17. TRANSITION TO PRODUCTION

Question. The Navy has taken a leading role in structuring sound practices for improving the design of both weapon system products and production processes to ease the transition from development to production. The Navy was instrumental in preparation of DOD Manual 4245.7–M that forms the Defense Department basic reference for accomplishing sound transitions. As Navy Acquisition Executive, do you intend to continue to emphasize this important work for the Navy and support the Department of Defense in continuing to improve its effectiveness in this area?

Answer. Yes, if confirmed as the Navy Acquisition Executive I will continue to emphasize this work. I intend to be active in ensuring that the Navy is in the lead in maintaining an effective development to production transition process. This is a very difficult and important area which is crucial to realizing the full benefit of our technology base investment.

18. RELATION TO DARPA

Question. The Defense Advanced Research Projects Agency (DARPA) has several projects that can have direct impact on future Navy acquisitions. What is your view of DARPA's role in performing research and development within the Department of Defense as compared to the role of the services?

Answer. DARPA is a unique Organization within the DOD structure which is chartered to undertake very high payoff/high risk technology. I believe that it is important for the Navy to continue to foster a close working relationship with DARPA. DARPA's unique development approach and business practices, when properly integrated with Navy technology needs, can form an important part of future system development and the Navy's R&D planning.

19. FOCUS ON THE FUTURE

Question. Secretary Garrett, in response to a question asked at his confirmation hearing, spoke to some of the changes he would make to "create a mindset that focuses on the future," favoring merit-based selection of university research projects. As an individual who has had a long association with the Navy, including duties as a Principal Deputy Assistant Secretary, what are your views on how you can assist Secretary Garrett in this task?

Answer. In Secretary Garrett's confirmation hearing he addressed the need to be proactive in keeping the focus on the future of the Navy. While he did not explicitly refer to university research projects it is clear that merit based university projects are extremely important to the furtherance of the scientific health of the DON as well as the university research structure. I intend to vigorously pursue Office of Naval Research initiatives to support university research.

In addition, it is my intent to work diligently to factor both technology and the mechanisms to put that technology and innovative concepts in the fleet.

20. ACQUISITION WORKFORCE

Question. a. What are your priorities in terms of acquisition workforce issues?

Answer. I know that concerns about the quality and management of our acquisition workforce have been the focus of a great deal of effort at the DOD level and in the Military Departments in the period since my previous Federal service. I would wish to have the opportunity to fully review the results of that effort before giving a comprehensive answer, but there are two general priorities I believe in based upon my experience:

—We must draw an appropriate balance between those activities which are conducted for us by private entities through contractual arrangements, and those which ought to be performed only by government employees. This is especially critical with respect to ensuring the integrity of the procurement process, and with regard to establishing the necessary in-house expertise base to make us a smart customer with a sound understanding of our technical requirements before we write contracts for their fulfillment. If confirmed, this priority will form my efforts as we review our management structures and establish the best organizations to move forward into the 1990s. It may enable reductions of in-house effort in certain areas, but may also require restoration of in-house effort in certain others, as reflected in Secretary Garrett's plans to reduce contractor support to sensitive aspects of the procurement process in response to lessons learned from the Ill Wind investigation.

—The Government employees who perform those essential functions must be well-qualified, highly motivated, intelligently led, and given the necessary authority and responsibility to do their jobs. We now recognize that these are acquisition issues, not just military and civilian personnel issues. I look forward to moving aggressively to do all I can to provide such an environment. As part of the DON plans to implement the DMR, a Director, Acquisition Workforce Education and Training will be established on the ASN(RD&A) staff to assist in focusing top-level attention within the DON on these issues.

Question. b. Will the "acquisition corps" be a separate corps within the Navy or will it simply be a subspecialty?

Answer. The Navy's Acquisition Corps is not a single group of officers wearing identical sleeve devices, such as the Medical Corps. Rather, the Navy's Acquisition Corps is comprised of several different groups which bring different expertise to the acquisition system. Among the portions of the Acquisition Corps, the Supply Corps supports the contracting, logistic and business functions of acquisition, the Civil Engineer Corps is responsible for the acquisition of facilities, and the Material Professionals for the acquisition of weapons systems.

The Materiel Professionals come from several designators in the unrestricted and restricted line communities, and cover the spectrum of Navy relevant disciplines, including ship, aircraft, submarine, weapons, and engineering systems research, development and acquisition. The diversity of these systems mandates development of managers with diverse backgrounds, and existing communities within the Navy have evolved over the years to provide special expertise. Those officers who are Material Professionals are dedicated to acquisition, with their careers focused toward becoming major weapon system program managers. They are specialists in acquisition, not subspecialists.

In preparing initial plans to implement the DMR, the DON reviewed the management of Material Professionals in each community, as well as Acquisition Management Offices in the Marine Corps. Necessary changes have been determined and are being implemented to ensure that the Navy and Marine Corps meet the DMR requirements of early selection, specialization, and intensive education and experience in acquisition prior to assignment to key senior positions as major Program Managers and beyond.

[Questions submitted for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR TRENT LOTT

Senator LOTT. Concurrency is receiving a lot of attention as we approach the fiscal year 1991 budget. The practice has received denouncements from GAO and numerous members of Congress. Several platforms and weapons systems have been in this discussion—B-2, DDG-51, and others.

The Secretary of the Navy testified before this committee that concurrency in ship acquisition is absolutely required due to the lead time required to build ships (5 years). I fully agree with him—***ships are different***!

What are your thoughts on concurrency and the uniqueness of ships in the acquisition process?

Mr. CANN. Let me begin by stating that there is an unfortunate tendency to use the term "concurrency" in a negative sense. The concurrent development and production of any complex product is the only means that today's manufacturers can build to keep pace with rapidly expanding technology. The same critics of concurrent development stand ready to criticize us for taking too long to field major weapon systems if we choose to wait until we can proceed without risk. I believe that concurrent development is not appropriate in all cases. It would be inappropriate in low cost/high volume procurements.

Shipbuilding is unique. Ships are low quantity/high cost programs. They have low building rates, long service lives, and high technical performance standards. Any system that is expected to serve for three decades must enter its service life in step with current technology.

As Secretary Garrett pointed out, the Navy routinely deals in long production intervals for ships. Prior to production, the interval between the definition of the requirement for a new class of ship and the award of the lead ship's construction contract can take up to 5 years. From contract award to delivery of the lead ship can take an additional 5 to 8 years. Allowing another year for completion of operational testing produces an aggregate interval of 11 to 14 years. Given a warship's 30-year service life, the acquisition process must incorporate combat system technologies that are developmental at the time of the lead ship's design and construction. Failing to do so would introduce a new warship with expiring combat system technologies.

A new warship's developmental combat system will always constitute the largest portion of the acquisition risk. In the worst case, the problems that might be encountered in development of the combat system could cost the Government millions of dollars to resolve. But to delay construction of follow ships until we have fully tested the lead ship will definitely result in additional costs of hundreds of millions of dollars. Spending hundreds of millions of dollars to potentially save millions of dollars does not make sense.

Unlike aerospace and electronics, shipbuilding is further complicated by the virtual absence of any U.S. commercial shipbuilding market. The Navy is the only customer of this strategic industry, and its shipbuilding programs are tailored to optimize the use of this Nation's residual shipbuilding capacity. The few remaining shipbuilders constitute the minimum mobilization base required to execute the current shipbuilding programs. That is why the fiscal year 1990 amendment to Title 10, U.S.C. directs that low rate initial production for shipbuilding provide for the minimum quantity and rate to preserve the mobilization base. The shipbuilding vendor base is even more fragile than the shipyards. If a reluctance to accept and manage risk were to drive the Navy to complete operational testing of a lead ship before awarding the follow-on shipbuilding contracts, the shipbuilding industry and its vendor base may well collapse.

For all these reasons, I believe the Navy has accepted the challenge of concurrent development and its attendant management responsibilities. Techniques exist to effectively deal with developmental risks. A building block approach based on "building a little and testing a lot" is one such technique. Where feasible, land-based test sites are constructed to duplicate the actual systems under construction. At these sites, hardware and software are integrated and operators are trained. These techniques have worked in the past and will continue to work in the future. In shipbuilding, concurrency is not an option but a fact of life. The Navy has one alternative--get very good at it!

Senator LOTT. Mr. Cann, over the last few years the shipbuilding industry has suffered considerable degradation. Our industrial base for ship construction and repair continues to steadily decline. This committee received testimony from, I believe, Admiral Trost who predicted the industrial base would continue to decline due to a disintegrating Merchant Marine. In large measure, the Navy is the "only game in town" when it comes to ship construction.

As ASN for Research, Development and Acquisition, how would you approach this problem of an eroding industrial base?

Mr. CANN. The Navy has been the "only game in town" for the latter half of the 1980s. Despite this fact and the fact that all who understand the shipbuilding and ship repair industry have realized for over a decade that the Navy alone could not support the entire base, the Navy has done a credible job in expanding the number of shipyards engaged in naval shipbuilding from the level of the mid 1970s to today's level. Navy shipbuilding programs continue to employ approximately 97 percent of the direct labor involved in the active shipbuilding base and approximately

56 percent of ship repair direct labor. This accomplishment occurred during the largest peacetime buildup of the Navy in history. As for the future, more austere times lie ahead. I intend to track the status of the industrial base and carefully manage how our scarce resources are used, paying close attention to their impact on the industrial base. Mobilization base consideration will definitely be considered in our planning and our contracting strategies. However, the existing base can only be maintained through a combination of stable competitive Navy programs and commercial work.

Senator LOTT. A key element of the Defense Management Review (DMR) was the consolidation of contractor administration services, or CAS functions, into the Defense Logistics Agency (DLA). The rationale behind the consolidation was, in part, to streamline Government CAS functions and eliminate problems created by having two or three services administering contracts in dissimilar fashion to the same contractor.

In the case of the Navy, however, this is not the case. The Navy is the only service buying ships. Duplication of contract administration is not a problem. Given DLA's past performance—which has not been stellar—and the resultant impact on the shipbuilding industry, what would be your view of the CAS function being shifted to DLA?

Mr. CANN. The Secretary of Defense shares your recognition of shipbuilding as a possible exception to the consolidation under DLA. Secretary Atwood has tasked the Defense Logistics Agency, with the support of the military departments, to provide Secretary Cheney with an analysis of the shipbuilding case. The deadline is January 31, 1991. I will be directing the Navy's effort in supporting the DLA in this study.

As you know, DMR goals go beyond presenting a single face to the contractor. We are looking for uniform interpretation of acquisition policy, the elimination of unnecessary redundancy in overhead and a more cost effective, streamlined operation. I will be examining the shipbuilding case in the total context of these objectives. Until I have reviewed the data that is currently being assimilated, I will reserve judgment.

Senator LOTT. In your responses to the chairman's previously submitted questions, on question four you identify one area of your concern to be *cost and schedule realism*. Over the last several years, cost and schedule have received a lot of attention within the Navy.

With regard to repair work in particular, significant tradeoffs have been made between cost and schedule. Historically, the Navy has pressed very hard to meet schedules, often with substantial cost increase. Accelerating repair schedules to meet deployment dates can be very expensive.

What are your thoughts regarding schedule acceleration to meet deployment schedules and their relationship to cost and schedule?

Do you envision the fleets relaxing their rigid deployment schedules which historically have forced schedule acceleration?

Mr. CANN. It is a very rare situation for the Navy to shorten a planned ship repair period to support operational schedules. In the cases where this has been done, it is typically in response to an emergent requirement arising from a crisis tasking. The case you are addressing as acceleration is more typically due to a planned availability that is overrunning its scheduled completion date. In that case, the Navy is confronted with a choice of increasing the work effort to hold to the planned completion date, modifying deployment schedules, or a combination of both of these actions.

I don't believe the solution lies in simply letting the maintenance and modernization delays drive the Fleet Commanders' operational schedules. Their task of meeting planned operational requirements, emergent requirements and maintaining acceptable at sea periods for the Navy's most important resource, its sailors, is already difficult enough. The answer lies in improved management of ship repair periods, beginning with improved advanced planning. It is my understanding that improvement in this area is one of the Secretary of the Navy's and the CNO's highest priorities. I intend to make improvements in this area.

Senator LOTT. Mr. Cann, as you know our experience in the Persian Gulf operation, though successful, was costly. Above all we learned that Third World countries with relatively low levels of technological weaponry can inflict substantial damage to sophisticated seabased platforms. When the U.S.S. *Roberts* was severely damaged by a mine, our limited mine countermeasures capability was exposed. We did not have capable, functional minesweepers ready for deployment, and when we finally got the minesweeps repaired and ready, we had to tow the ships over to the Gulf. We were caught short.

R&D priorities within the Navy currently do not provide sufficient current R&D funding to develop a modern, glass reinforced plastic platform capable of meeting dual missions of minehunting and minesweeping. Secretary Garrett's February 7, 1990 letter to Congressman Aspin identifies a need for R&D dollars to support enhancement of mine countermeasures.

If we wait until 1992 to fund R&D efforts to improve our technological base, we have lost our opportunity to get ahead of the power curve. I believe we should invest those R&D funds now an get out front on this issue. Do you agree that this is a priority and that a few hundred thousand dollars would be well spent on this now?

Mr. CANN. The future of minewarfare shipbuilding is in modern glass reinforced hull technology. The urgent mine warfare shipbuilding program began in 1982 because of rapidly eroding force levels of obsolescent wood hull ocean minesweepers (MSO). This rapid erosion of MSO force levels was caused by a lack of long term sustained mine warfare shipbuilding programs from the mid-1950s until the early 1980s. In 1982, the United States had not developed a capability to build modern glass reinforced plastic (GRP) hulls for mine warfare ships. Consequently the first production ship class—the high mix MCM 1 class in a high-low mix concept—was designed with a wood hull and the second production class was intended to introduce modern GRP technology from the various low-mix minehunters being built in Europe at that time. The low-mix minehunter is the MHC 51 class with modern GRP hull technology proven in the Italian Lerici class and its variants.

The high mix ships are deployable and carry dual-mission equipment (minehunting and minesweeping) simultaneously. The low-mix ships are not normally deployable (although these ships, which are larger than MSOs, could be deployed in crisis situations) and carry a single-mission equipment suite (either a minehunting suit or a minesweeping suite but not both simultaneously).

As discussed in Secretary Garrett's letter of February 7, 1990, we have increased mine warfare ship force level goals to 22 high-mix ships (up from 14) and 25 low-mix ships (up from 17) These force levels are goals and actual production plans will have to conform to future budget opportunities.

Once we begin approaching completion of the modern GRP hull technology, lower cost 25 ship MHC 52 class at Intermarine USA and Avondale in the mid-1990s, we can make a evolutionary product line enhancement to begin a follow-on deployable dual-mission ship to fill out the high mix force level with eight of these larger MHC variants.

The ocean minehunter (MHO) variant can be built in a lengthened MHC 51 mold and will capitalize on the economies of maintaining only one mine warfare ship product line with two production sources. The MHO could be built in the mid to late 1990s at rates compatible with budget opportunities that exist at that time. The MHO would be a fully deployable ship and would carry dual-mission minehunting and minesweeping equipment suites simultaneously.

The MHC/MHO modern GRP hull technology product line would be extended through the 1990s and help avoid a recurrence of the long production hiatus that led to the mine warfare ship production start-up difficulties we had in the 1980s.

The Navy has already begun planning for this future variant of MHC 51. A working group of the Ship Characteristics and Improvement Board has been formed to examine characteristics and design modifications for this MHC variant. A clear requirement in this process is to bring the two shipbuilders into the earliest planning and engineering phases so that the performance and affordability goals being sought can be delivered in the finished product and then sustained in the fleet over an extended service life.

Congressional support for the fiscal year 1991 budget request for the Advanced Ship Development (preliminary design) and Ship Subsystem Development (contract design) programs will allow us to achieve early shipbuilder involvement in the MHC variant design effort. This would be a small investment in innovation that would have high value pay-off at sea for future mine warfare forces.

[The nomination reference of Gerald A. Cann follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
January 30, 1990.

Ordered, That the following nomination be referred to the Committee on Armed Services:

Gerald A. Cann, of Maryland, to be an Assistant Secretary of the Navy, vice Thomas F. Faught, Jr., resigned.

[The biographical sketch of Gerald A. Cann, which was transmitted to the committee at the time the nomination was referred, follows:]

THE WHITE HOUSE

OFFICE OF THE PRESS SECRETARY

For Immediate Release

January 30, 1990.

NOMINATIONS SENT TO THE SENATE;

Gerald A. Cann, of Maryland, to be an Assistant Secretary of the Navy, vice Thomas F. Faught, Jr., resigned.

Jacqueline E. Schafer, of Virginia, to be an Assistant Secretary of the Navy, vice Everett Pyatt, resigned.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release January 29, 1990

The President today announced his intention to nominate the following individuals:

GERALD A. CANN, of Maryland, to be Assistant Secretary of the Navy for Research, Development and Acquisition. He would succeed Thomas F. Faught, Jr.

Since 1988, Mr. Cann has served as Vice President of the Undersea Warfare Center of the General Dynamics Corporation in Arlington, Virginia. Prior to this, he served as President of Gerald A. Cann, Incorporated, 1985-1987; Principal Deputy Assistant Secretary of the Navy for Research, Engineering and Systems, 1979-1985; Deputy Assistant Secretary of the Navy for Systems, 1977-1979; Staff Assistant for Ocean Surveillance in the Office of the Director of Defense Research and Engineering, 1970-1977; Assistant Program Manager for Surface Ship Sonar Systems and Program Manager for Undersea Surveillance for TRW, Incorporated, 1965-1970; and various positions with the American Machine and Foundry Company.

Mr. Cann was graduated from New York University (B.A., 1953). He was born April 29, 1931 in New York City. Mr. Cann served in the United States Army Signal Corps, 1953-1955. He resides in Rockville, Maryland.

JACQUELINE E. SCHAFER, of Virginia, to be an Assistant Secretary of the Navy for Installations and Environment. She would succeed Everett Pyatt.

Since 1989, Ms. Schafer has served as a Member of the President's Council on Environmental Quality. Prior to this, she served as Regional Administrator for Region II of the United States Environmental Protection Agency, 1982-1984; Legislative Assistant to United States Senator James L. Buckley and a Professional Staff Member of the Senate Committee on Environment and Public Works, 1971-1982; Assistant to the Director of Research of the Buckley for Senator Committee, 1970; and Banking Studies Analyst and Research Assistant with the Federal Reserve Bank of New York, 1967-1970.

Ms. Schafer was graduated from Middlebury College (A.B., 1967). She was born October 12, 1945 in Greenport, New York. Ms. Schafer resides in Arlington, Virginia.

BIOGRAPHICAL SKETCH OF GERALD A. CANN

GERALD A. CANN
7201 Old Gate Road
Rockville, Maryland 20852

1988 to Present	Vice President of the Undersea Warfare Center, General Dynamics Corporation. The role of this new center is to expand the Company's activities in the undersea warfare arena.
1985-1987	President, GERALD A. CANN, Inc. provided management and technical consulting on defense related matters with special emphasis on long range planning, allocation of IR&D funds, congressional strategy, teaming philosophy, and technical matters in Antisubmarine Warfare, undersea programs, air defense, and defense technology.
1979-1985	Principal Deputy Assistant Secretary of the Navy (Research, Engineering and Systems). Served as the principal advisor to the Assistant Secretary of the Navy (Research, Engineering and Systems) in the execution of Navy and Marine Corps RDT&E matters.
1977-1979	Deputy Assistant Secretary of the Navy (Systems). Responsibilities included review of all major research and development programs, formulation and review of OSD/Navy cost effectiveness analysis on the systems in the development cycle, and representing the Navy on systems acquisition policy guidance to the Office of the Secretary of Defense.
1970-1977	Staff Assistant for Ocean Surveillance in the Office of the Director of Defense Research and Engineering. In 1972, the area of responsibility was increased to encompass all of the antisubmarine warfare programs. In April 1975, became the Assistant Director for Ocean Control in the Office of Secretary of Defense.
1965-1970	TRW Systems, Inc. Activities concentrated in the analysis and consulting services to the U.S. Navy on anti-submarine warfare (ASW) systems. During this time, as Assistant Program Manager for Surface Ship Sonar Systems, was the principal in supporting major reviews for the Navy in the Management & Technical

	efforts on sonar systems. Final assignment with TRW was as Program Manager for Undersea Surveillance. Duties as Program Manager for Undersea Surveillance. Duties were to provide technical and management support to the ASW Systems Project Office and consult to the Director of Antisubmarine Warfare in the Office of the Chief of Naval Operations.
1955-1965	Numerous positions with the American Machine and Foundry Company which included assignments in government and commercial developments. Was Test Manager of the TITAN I Program and Deputy Engineering Manager for the Division.
1953-1955	Served in the U.S. Army Signal Corps.
EDUCATION	Bachelors degree from New York University, 1953, Geology/Geophysics.
HONORS	Received the Defense Meritorious Service Medal, the Navy Distinguished Civilian Service Medal, the National Security Industrial Association Charles Weakley Award, and the rank of Distinguished Executive presented by the President of the United States.
COMMITTEES	Served on several government and industry-sponsored committees including the Defense Science Board, Naval Research Advisory Committee, National Academy of Sciences, Chief of Naval Operations-Executive Panel, and the American Defense Preparedness Association.

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by Gerald A. Cann in connection with his nomination follows:]

UNITED STATES SENATE

COMMITTEE ON ARMED SERVICES

Room SR-228

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

Part A—Biographical Information

Instructions to the Nominee: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearings and will also be published in any hearing record as well as made available to the public.

1. **Name:** (Include any former names used.)
Gerald A. Cann, "Jerry".

2. **Position to which nominated:**
Assistant Secretary of the Navy (Research, Development & Acquisition) (ASN(RD&A)).

3. **Date of nomination:**
January 30, 1990.

4. **Address:** (List current place of residence and office addresses.)
[Nominee responded and the information is contained in the committee's executive files.]

5. **Date and place of birth:**
April 29, 1931; New York City, NY.

6. **Marital Status:** (Include maiden name of wife or husband's name.)
Widowed.

7. **Names and ages of children:**
David Wells Cann, 29; Charles Dana Cann, 28; and Jeffrey Travis Cann, 27.

8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.
Darrow School, 9/45 - 6/49, Diploma, 1949.
New York University, 9/49 - 6/53, BA, 1953.

9. **Employment record:** List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.
1/88 to present, Vice President, General Dynamics/UWC, 1525 Wilson Blvd., Suite 700, Arlington, VA 22209.
6/85 to 12/87, Consultant, Gerald A. Cann, Inc., 1710 Goodridge Dr., McLean, VA 22102.
9/77 to 6/85, Deputy Assistant Secretary of the Navy (Research, Engineering & Systems), Dept. of the Navy, ASN(RE&S) Rm. 4E736, Pentagon, Washington, DC 20350.

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.
Navy Intelligence Independent Consultants' Panel (NIICP).
Chief, Naval Operations, Executive Panel (CEP).
Naval Research Advisory Committee (NRAC).
Defense Science Board (DSB).

11. **Business relationships:** List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.
Vice President of General Dynamics/Undersea Warfare Center.
Chairman, Board of Directors of Applied Remote Technology (ART), wholly owned subsidiary of General Dynamics.
Limited Partner, Manchester Investors Ltd., a residential real estate limited partnership.
Limited Partner, Polaris Aircraft Investors #4.
Limited Partner, Prudential-Bache Energy Income #20.

12. **Memberships:** List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.
Navy League, member.
Submarine League, member.
American Defense Preparedness Association, member, Undersea Warfare Executive Committee (will resign upon confirmation).
National Security Industrial Association, Anti-Submarine Warfare, member of Executive Committee (will resign upon confirmation).

13. **Political affiliations and activities:**

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

None.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $100 or more for the past 5 years.

$100, 1988, Montgomery County, MD Republican Club.
$100, 1989, Montgomery County, MD Republican Club

14. **Honors and Awards:** List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Distinguished Executive, awarded by President of United States, 1980.
Navy Distinguished Civilian Service Award, 1985.
DOD Meritorious Civilian Service Medal, 1977.
NSIA Award.

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

Classified Journal, 1977, on Undersea Surveillance.

16. **Speeches:** Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

[Contained in committee files.]

17. **Selection:**

(a) Do you know why you were chosen for this nomination by the President?

I believe that, based on my previous experience and qualifications, Secretary Garrett recommended my nomination to Secretary Cheney and President Bush.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

My entire career has provided the training and experience for this appointment.

18. **Commitment to testify before Senate committees:** Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

Instructions to the Nominee: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

Name: Gerald A. Cann.

Part B—Future Employment Relationships

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past 10 years have your or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employers, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either, individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

GERALD A. CANN.

[The nomination of Gerald A. Cann was reported to the Senate by Senator Sam Nunn on March 8, 1990, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on March 9, 1990.]

[Prepared questions submitted to Jacqueline E. Schafer by Senator Nunn prior to the hearing with answers supplied follow:]

FEBRUARY 22, 1990.

Hon. SAM NUNN,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN:

Thank you for your letter of February 2, 1990, forwarding a number of questions relating to defense policy and management. I have enclosed written responses to each of the questions posed, and will be pleased to appear before the Armed Services Committee in the near future to discuss these issues further.

The new Assistant Secretary of the Navy for Installations and Environment will have the opportunity to affect significantly Navy and Marine Corps installations and facilities operations and management, environmental protection and restoration activities, natural resources programs, and personnel safety and health programs. I look forward to the challenge and the responsibility inherent in the position, and, if confirmed, will devote my full attention to the task.

Sincerely,

JACQUELINE E. SCHAFER.

Question 1. Should you be confirmed as Assistant Secretary of the Navy for Installations and Environment, what would you view as your principal responsibilities to the Secretary of the Navy?

Answer. A summary of the responsibilities of the position is contained in the Navy Plan for Implementation of the Defense Management Report:

"The Assistant Secretary of the Navy (Installations and Environment) is the senior advisor responsible for policy relating to Navy installations, facilities, environment, safety, shore resources management and quality improvement."

As an Assistant Secretary of the Navy, my primary responsibility would be to assure that all areas of my cognizance are managed and operated to the common end—an effective, efficient, and ready United States Navy and Marine Corps.

In the area of installations and facilities, this entails cost-effective management of the Military Construction (MILCON) program, maintenance and repair programs, housing programs, utilities programs, real estate policy, real property utilization, facilities planning, and a host of related facilities and real property issues.

In the area of environment, protection and restoration of our lands, natural resources management, and hazardous material and hazardous waste minimization are the principal programs and issues that must be managed. This includes compliance with environmental laws and regulations while ensuring the best possible base and support structure for the operating naval forces.

The health and safety of our people are no less important. I will insist that we continue to carry out safety programs, such as occupational, explosive and motor vehicle safety, in a fashion that will provide the safest possible conditions for Navy and Marine Corps men and women. This includes close attention to fire prevention and protection, preventive medicine and occupational health programs.

High quality management of shore resources is likewise critical if we are to maintain a ready and effective Navy and Marine Corps. We will emphasize implementation of the relevant goals of the Defense Management Report: reduction of overhead costs, reinvigoration of the planning, programming and budgeting process, reduction of micromanagement, and strict observance of ethical standards. These goals provide a sound framework within which to accomplish the mission of the Navy Department. I look forward to the challenge.

Question 2. The Senate Armed Services Committee has a deep and continuing interest in the complete and effective implementation of the Goldwater-Nichols Department of Defense Reorganization Act of 1986, the amendments of the act relating to special operations forces, and the recommendations of the Packard Commission.

Are you fully committed to the complete and effective implementation of the act as amended and the recommendations of the Packard Commission?

Answer. Yes. I have studied both the Goldwater-Nichols Act as amended and the Report of the Packard Commission, and I believe that the intent of the act and the recommendations of the Packard Commission fully apply to the areas of cognizance of the ASN(I&E). The landmark Goldwater-Nichols legislation and the Packard Commission report embody some of the most fundamental reforms of executive agency management ever adopted. I fully support their implementation and will work to that end.

Question. What are the specific responsibilities of the Office of the Assistant Secretary of the Navy for Installations and Environment for implementing the act as amended and the recommendations of the Packard Commission?

Answer. The Goldwater-Nichols Act spells out in detail the functions and responsibilities of the Secretary of the Navy. As the senior advisor to the Secretary in matters involving installations, safety and environment, I would be responsible for carrying out a number of functions in those specific program areas. Much of the act refers to military operations and specific organizational changes. However, the act genera[illegible] seeks to provide for more efficient use of defense resources and improvement of management and administration of the Department of Defense. Should I be confirmed, I would take those objectives as my charge.

The Packard Commission focused on four areas: National Security Planning and Budgeting, Military Organization and Command, Acquisition Organization and Procedures, and Government-Industry Accountability. Issues of Military Organization and Command are not within the cognizance of the ASN(I&E). The other areas of the Commission focus, however, contain recommendations which, although largely implemented, the ASN(I&E) will have to join in monitoring to ensure that the Commission's "Quest for Excellence" is continued. I expect to assist the Secretary of the Navy in efforts to strengthen the planning and budgeting process (also a goal of the Defense Management Report). I recognize that the DMR principles of authority, accountability and streamlined decision making must be fully implemented in installations and environmental programs, as well as within our acquisition system, and will work to that end.

Question 3. What role do you expect the Assistant Secretary of the Navy for Installations and Environment to play in implementing the Recommendations of the Defense Management Report?

Answer. The role of the ASN(I&E) is spelled out in the Navy Plan for Implementation of the Defense Management Report (DMR). It is important to note that the ASN(I&E) was created as a result of realignment of functions within the Navy Secretariat to implement fully the intent of both the Goldwater-Nichols Act and the recommendations of the Packard Commission. The I&E was created and structured to address the important issues of environment, safety, and installations.

It is important that the ASN(I&E) address certain of the fundamental goals of the DMR, which are reduction of overhead costs, reinvigoration of the planning and budgeting process, reduction of micromanagement, and improved observance of ethical standards in government and industry. For that reason, if I am confirmed, I expect to be a key player in DMR implementation.

Question 4. The Armed Services Committee has been concerned over the funding shortfalls across a broad range of Navy logistics and support programs—depot maintenance, supply activities and real property maintenance, for example.

What do you consider to be the most serious problems in the Navy's logistics and support programs today, and how do you intend to address these problems?

Answer. The term "logistics and support" is very broad and encompasses many programs in addition to those under the cognizance of the Assistant Secretary of the Navy (Installations and Environment). For example, logistics and support programs that are directly related to ship and aircraft operations, such as maintenance and supply support, are the responsibility of the Assistant Secretary of the Navy (Research, Development and Acquisition). I would like to note some issues in the installations and environment area and speak to some of my goals for work in those areas.

The shore establishment of the Department of the Navy worldwide represents an investment of over $100 billion dollars with almost four million acres of land and over 38,000 buildings. The Navy's shore bases not only support fleet ships and aircraft, but are the workplace for the Department's civilian workforce as well as home for over 70,000 Navy families. Growing concerns over environmental protection, environmental restoration, encroachment, urbanization, workplace condition and safety, and quality of life for our families dictate the need for greater attention at the highest levels of the Department. As the Assistant Secretary of the Navy with a primary focus on the shore establishment, it will be my goal to ensure that the Department of the Navy not only meets these challenges, but enters the Twenty-First Century with a modern, effective, and environmentally sound shore establishment fully capable of supporting the fleet and Marine Corps.

Increasing facility age, decreasing budgets, and increasingly complex environmental laws and regulations are some of the factors which highlight the need for redoubling our efforts in this important arena. Environmental challenges are especially pressing as the Nation has assumed a most ambitious agenda to restore our contaminated lands and waters The ASN(I&E) must ensure that the Navy presses forward to accomplish this environmental agenda, providing the policy and oversight needed to ensure success while at the same time ensuring the operating forces' capability to operate and train in support of our national defense mission.

Question 5. The Assistant Secretary of the Navy for Installations and Environment has overall management responsibility for the Navy's environmental programs, including hazardous waste policy and environmental restoration programs.

In your view, what are the most serious challenges facing the Navy in this area, and how do you plan to deal with these challenges?

Answer. In many respects, the Navy and Marine Corps face the same challenges in the environmental arena as all other government and private sector organizations. However, there are some discrete problems that must be addressed in the special context of a Federal agency with an important national defense mission.

We must foster healthy working relationships with Federal, State and local regulators. That can be best be achieved by opening and maintaining discussions with the regulators on issues that arise between us. I hope that my experience in Federal environmental enforcement will be of especial value to that dialogue.

The Navy and Marine Corps are not free of the burden of past uninformed or careless disposal of hazardous and toxic wastes. We face the challenge of achieving effective and timely remedial action for the sites on Navy land. We must do this in close cooperation and coordination with local communities. This is a primary area in which our working relationships with our State and local counterparts will be important.

The Navy and the Marine Corps need to fully integrate environmental responsibilities with the important tasks of national defense committed to their charge. I am informed that this work has already begun. If confirmed, I plan to work with the leadership of the Navy and Marine Corps, and use the expertise of Navy and Marine Corps men and women toward full realization of that goal.

It will be an important early task of the Office of the ASN(I&E) to review present Navy environmental programs and work with the managers and leaders of those programs to strengthen their effectiveness. I believe we should look carefully at some central aspects of any such program, such as training at all levels to handle environmental responsibility, the adequacy of staffing to achieve environmental compliance, the quality of communications among those who need to work together to solve problems, and the availability and application of funds to support the programs.

The Navy is engaged in an ongoing effort to budget for environmental compliance and program needs. That task must be continued and refined. I look forward to speaking for those programs in the Navy and Defense budgeting process. I recognize this will be a particular challenge in a time of limited budget resources.

Question 6. The Navy's military construction budget has been declining in recent years, and there is likely to be a continued constrained funding environment in the near future.

What priorities will you establish for deciding among competing construction and maintenance requirements in the future?

Answer. The reduction in funding availability for shore infrastructure requires that we do the best possible job of prioritizing requirements. As the shore establishment exists to support an operating force structure, priorities will depend upon the size and mission of that force. I am informed that the Navy has a disciplined matrix for ensuring that only the highest priority military construction projects, balancing both operational and quality of life needs, are submitted for approval. I look forward to reviewing that process and strengthening it.

Question 7. The Armed Services Committee has raised a number of concerns about the need for, and the financing of, military construction projects overseas.

In light of possible force structure reductions in both Europe and Asia, as well as the need for greater burdensharing efforts on the part of our allies, how will you approach requests for overseas military construction programs for the Navy and Marine Corps?

Answer. It is important that the Navy and Marine Corps continue to request the minimum investment necessary in overseas locations to meet operational commitments or improve quality of life for our people. The services continue to rely heavily on NATO conjunctive funding in Europe and Iceland, and the Japanese Facilities Improvement Program in Japan. I understand that the administration's fiscal year 1991 request for the Navy is approximately half that of fiscal year 1990. I will seek to ensure that future requests for overseas military construction continue to be consistent with possible force structure reductions and the need for greater burdensharing by our allies.

Question 8. What problems do you expect the Navy to encounter as it begins implementing the recommendations of the Commission on Base Closures and Realignments?

Answer. Pursuant to a delegation from the General Services Administration, the Department of the Navy is the disposal agency for all real property at Navy installations identified for closure or realignment by the Commission. There are a number of problem areas that must be addressed as part of each disposal process. First an efficient, time-sensitive disposal strategy must be developed. This will require us to sort out a multitude of competing interests for the property. Other Federal agencies have substantial interest in many of the properties.

The McKinney Act, for example, requires that every property be screened for use by the homeless. In addition there is significant pressure for use of excess property for prisons and drug rehabilitation facilities. All these interests have to be identified and weighed to consider community impact. In many cases the Government will have to provide assistance, both technical and financial, to local planners through existing Federal Economic Adjustment Agencies. At each base, military and civilian employees will have to be assisted through existing Homeowner's Assistance and Priority Placement programs. When all these matters have been addressed, Navy can then commence actual transfer or sale of the property.

When bases are closed or restructured, one typically encounters environmental problems including disposal of hazardous material and clean-up of sites so that those sites may be safely used for other purposes. Other common problems relate to the mechanics of moving organizational entities to other locations and ensuring proper facilities at the new location. The Navy Department has undertaken base closures and realignments in the past and that experience is available to draw upon.

Question 9. What is the Navy's commitment to the closure and realignments outlined in Secretary Cheney's January 29 package?

Answer. Base closures and realignments are an inevitable and a necessary response to reductions in operating forces and the need to achieve maximum efficiencies in the support structure in an era of increasingly constrained revenues. I am informed that the candidate installations recommended by the Secretary of the Navy and announced by the Secretary of Defense for consideration for closure were identified with these concerns in mind. As you know, under the law, final decisions cannot be made without a number of further studies and actions. I understand that an intensive study process has begun within the Navy focused upon these candidate installations and the entire shore establishment for the purpose of making final decisions. This process must, of course, be informed by future decisions regarding force levels, and if I am confirmed, ASN(I&E) will participate fully.

Question 10. The Navy's strategic homeporting plan was based on an operationally effective beddown of a 600 ship Navy. The Navy for fiscal year 1990-91 is programmed at approximately 550 ships, and reductions to this number are reportedly being studied in the context of developing the fiscal year 1992-97 Five Year Defense Plan. Are you committed to reexamining the strategic homeporting plan and the overall Navy facility infrastructure in light of the current and possible size of the fleet?

Answer. I share the belief of the Secretary of Defense and the Secretary of the Navy that we must have a balance between force structure and base structure. Achievement and maintenance of that balance is a significant challenge for the years ahead. Defense planning guidance requires the Navy to reevaluate strategic homeporting plans and requirements based on projected force levels. A thorough review of the Navy's shore establishment, including the strategic homeports, is already underway. This reexamination of the Navy's infrastructure will receive my close attention if I am confirmed.

Question 11. As Assistant Secretary of the Navy for Installations and Environment, you will have a major role as a senior manager and leader within the Department of the Navy.

How would you assess your management and leadership skills for this position?

Answer. My background is principally in the field of the environment. From my first years in Washington as a member of Senator Buckley's staff, through my tenure as a member of the professional staff of the Senate Committee on Environment and Public Works, and my "front line" experience as an EPA Regional Administrator, and, more recently, as a member of the President's Council on Environmental Quality, I have worked with all the major environmental issues facing the Department of the Navy and the Nation. I am well qualified to insure that the Navy and Marine Corps assume the environmental leadership role that Secretary Garrett has mandated.

Furthermore, during my tenure as a member of the professional staff of the Senate Committee on Environment and Public Works, I became familiar with other issues, not unlike those facing the Navy shore establishment. Increasing facility age, obsolescent utility systems and infrastructure decline are all issues dealt with by the committee on a national level. For several years, I assisted the committee members in oversight and reauthorization of the Public Works and Economic Development Act and coordinated the committee's responsibilities under the Congressional Budget Act.

Yet knowledge about substantive issues alone is not enough. I fully understand the importance of being a good manager and an effective leader. I have always recognized the need for the Congress and the administration to work together in furthering key national goals and priorities. I have always taken the view that in the development of those goals and priorities the values, expectations, and concerns of the general public, as well as those of more narrowly focused groups, must be identified and taken into consideration. And, with respect to the internal workings of any organization, I have always subscribed to the principles that those who work for me must be appropriately employed and treated fairly and equitably.

With respect to the latter, leadership in the sense of effective use of human resources, I would emphasize that I am an enthusiastic adherent to the principles of total quality management as put forth by President Bush and Secretaries Cheney and Garrett. I learned a long time ago in my assignments noted previously that educating, training, and motivating people, and providing a working climate that promotes cooperation and trust among those with whom you work, and with those who work for you, along with putting in place incentives to allow people to improve their own productivity and use their own mechanisms to lower costs, are among the most important things an executive can do. Secretary Garrett has characterized this kind of leadership role in terms of establishing an environment where creativity, initiative, and innovation are encouraged and recognized, and where each individual's contributions are actively sought and appreciated. He has created that very atmosphere. I subscribe completely to its underlying principles and as an Assistant Secretary of the Navy would use those guidelines as my formula for success.

[The nomination reference of Jacqueline E. Schafer follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
January 30, 1990.

Ordered, That the following nomination be referred to the Committee on Armed Services:

Jacqueline E. Schafer, of Virginia, to be an Assistant Secretary of the Navy, vice Everett Pyatt, resigned.

[The biographical sketch of Jacqueline E. Schafer, which was transmitted to the committee at the time the nomination was referred, follows:]

THE WHITE HOUSE

OFFICE OF THE PRESS SECRETARY

For Immediate Release

January 30, 1990.

NOMINATIONS SENT TO THE SENATE;

Gerald A. Cann, of Maryland, to be an Assistant Secretary of the Navy, vice Thomas F. Faught, Jr., resigned.

Jacqueline E. Schafer, of Virginia, to be an Assistant Secretary of the Navy, vice Everett Pyatt, resigned.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release January 29, 1990

The President today announced his intention to nominate the following individuals:

GERALD A. CANN, of Maryland, to be Assistant Secretary of the Navy for Research, Development and Acquisition. He would succeed Thomas F. Faught, Jr.

Since 1988, Mr. Cann has served as Vice President of the Undersea Warfare Center of the General Dynamics Corporation in Arlington, Virginia. Prior to this, he served as President of Gerald A. Cann, Incorporated, 1985-1987; Principal Deputy Assistant Secretary of the Navy for Research, Engineering and Systems, 1979-1985; Deputy Assistant Secretary of the Navy for Systems, 1977-1979; Staff Assistant for Ocean Surveillance in the Office of the Director of Defense Research and Engineering, 1970-1977; Assistant Program Manager for Surface Ship Sonar Systems and Program Manager for Undersea Surveillance for TRW, Incorporated, 1965-1970; and various positions with the American Machine and Foundry Company.

Mr. Cann was graduated from New York University (B.A., 1953). He was born April 29, 1931 in New York City. Mr. Cann served in the United States Army Signal Corps, 1953-1955. He resides in Rockville, Maryland.

JACQUELINE E. SCHAFER, of Virginia, to be an Assistant Secretary of the Navy for Installations and Environment. She would succeed Everett Pyatt.

Since 1989, Ms. Schafer has served as a Member of the President's Council on Environmental Quality. Prior to this, she served as Regional Administrator for Region II of the United States Environmental Protection Agency, 1982-1984; Legislative Assistant to United States Senator James L. Buckley and a Professional Staff Member of the Senate Committee on Environment and Public Works, 1971-1982; Assistant to the Director of Research of the Buckley for Senator Committee, 1970; and Banking Studies Analyst and Research Assistant with the Federal Reserve Bank of New York, 1967-1970.

Ms. Schafer was graduated from Middlebury College (A.B., 1967). She was born October 12, 1945 in Greenport, New York. Ms. Schafer resides in Arlington, Virginia.

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BIOGRAPHICAL SKETCH OF JACQUELINE E. SCHAFER

JACQUELINE E. SCHAFER

CURRICULUM VITAE

Born: Greenport, New York
October 12, 1945

Education: A.B., Economics (1967)
Middlebury College
Middlebury, Vermont

Employment History:

June 1984 to September 1989: Member, Council on Environmental Quality (CEQ), Executive Office of the President. Appointed by President Reagan and confirmed by the Senate in May 1984. CEQ, a three member advisory council, was established under the National Environmental Policy Act of 1969 (NEPA). Designated Acting Chairman by President Bush (July 6, 1989, to August 1, 1989.)

- Prepared three CEQ annual reports from the President to the Congress: Environmental Quality 1984, Environmental Quality 1986, and Environmental Quality 1987-1988.

- Represented CEQ on the Domestic Policy Council's (DPC) Working Group on Energy, Natural Resources and Environment, which reviews policy issues and drafts options papers for Presidential decision making. Chaired the DPC's interagency Task Force on Outdoor Recreation Resources and Opportunities and prepared its report, Outdoor Recreation in a Nation of Communities (1988).

- Served as Executive Secretary to the Interagency Task Force on Acid Precipitation, which coordinates all federal research activities under the Acid Precipitation Act of 1980; served as Acting Director of Research, October 1987-March 1988.

- Appointed Alternate Delegate from the United States to the Second International Conference on Population in Mexico City, August 1984.

March 1982 to May 1984: Regional Administrator, U. S. Environmental Protection Agency, Region II (New York, NY).

- Managed a staff of 500+ environmental scientists, engineers and attorneys in implementing all federal environmental protection programs in one of the agency's ten regions (New York, New Jersey, Puerto Rico and the U.S. Virgin Islands). Regulated, in cooperation with state agencies, individual sources of environmental pollution through writing and enforcing air, water and hazardous waste permits.

- Responsible for the management of a $410 million grant program to support municipal waste water treatment plant construction (17% of annual appropriation); of a $20 million annual grant program to support state environmental agencies; and of one of the country's largest "Superfund" project workloads, 23% of the hazardous waste sites on the National Priorities List.

- Duties required frequent communication with the public and press, state and local officials, members of Congress and state legislators, and with environmental and citizens' organizations and the regulated business community.

January 1977 to March 1982: Professional Staff Member, U. S. Senate Committee on Environment and Public Works, reporting to Ranking Republican (later, Chairman) Robert T. Stafford, R-Vt.

- Responsible for assisting Republican members in the development and oversight of environmental protection and economic development legislation, including: Clean Water Act, Safe Drinking Water Act, Noise Control Act, Public Works and Economic Development Act.

- Beginning January 1981, also responsible for coordination of all Committee activities with respect to the Congressional Budget Act, including Reconciliation.

January 1971 to December 1976: Legislative Assistant (later, Committee staff aide) to U.S. Senator James L. Buckley (C-R, N.Y.). Performed broad range of professional duties in a large congressional office, including support of the Senator's activities as a member of the Committee on Environment and Public Works and the Committee on Interior and Insular Affairs (now Energy and Natural Resources).

August 1970 to December 1970: Assistant to the Director of Research, Buckley for Senator Committee. Assisted the candidate with all environmental issues in a year when these were volatile, as well as diverse campaign research tasks.

June 1967 to July 1970: Analyst, Banking Studies Department; and Research Assistant, Research Department, Federal Reserve Bank of New York. Developed first drafts of reports evaluating the competitive effects of bank merger and holding company acquisitions for consideration by Central Bank regulators; began as a research assistant to a senior economist.

Related Professional Activities:

Judge, 1989 American Consulting Engineers Council Engineering Excellence Awards competition. March 1989. Only non-engineer on a 22-judge panel of the final 2-days of a nationwide competition to select the industry's most outstanding projects in all categories. Was the "reader" for the Grand Conceptor (first place) award, a state of the art advanced wastewater treatment and water reclamation facility.

Session Chairman, 53rd North American Wildlife and Natural Resources Conference. March 1988. Invited by Wildlife Management Institute and Wildlife Society sponsors to select speakers and chair a half-day session on "New Dimensions in Water Resources Management" at this prestigious annual conference of wildlife and natural resource professionals. Remarks published in Transactions (1988).

White House Representative at Birds of Prey Week, Boise, ID. May 1986. Delivered President Reagan's tribute to Morley Nelson, world renowned falconer/conservationist and a Director, World Center for Birds of Prey (Boise), whose captive breeding and release program is responsible for the reintroduction of over 2000 endangered Peregrine Falcons into the wild. A major local event attended by the State's Governor, Senator, Congressman and wildlife conservationists.

Judge, Secretary of Defense Environmental Quality and Natural Resources Conservation Awards. 1985-1988. On four occasions, served on a three-judge panel (including conservationists outside government) in the Secretary's annual inter-service competition for this award made to outstanding military installations and individuals, or on intra-service award panels.

Speaker/Administration Representative. 1982-1988. Prepared and delivered several dozen addresses or professional presentations as an Administration representative before business, environmental conservation, professional, and government groups concerned with environment and natural resources policy issues, including acid rain, outdoor recreation, water policy, waste management and environmental impacts analysis.

References:

The Honorable Robert T. Stafford
United States Senate (retired)
Washington, D.C.

The Honorable James L. Buckley
United States Circuit Judge
United States Court of Appeals
Washington, D.C. 20001

The Honorable Danny J. Boggs
United States Circuit Judge
U. S. Court of Appeals for the 6th Circuit
220 U.S. Courthouse
Louisville, KY 40202
(formerly, Chairman, Working Group on Energy, Natural Resources and Environment, White House Domestic Policy Council)

Political Activities:

1988: Precinct volunteer for Bush/Quayle and Rep. Frank Wolf. Identified and called favorable voters; worked at polling place. (Ref: Marianne Thatcher, Fairlington Precinct Chairman, Arlington, VA).

1980 Presidential Transition: Executive Office of the President. Prepared transition report on Council on Environmental Quality (Ref: Francis S.M. Hodsell).

1980: Reagan/Bush Presidential Campaign: Researched environment and energy issues for debate task force. (Ref: David Gergen).

1979-1982: Member, Arlington County Republican Committee and Fairlington Precinct chairman. Local work for Reagan/Bush and Rep. Frank Wolf campaigns. (Ref: Jade West)

1980 Reagan Delegate to 10th District Convention and Virginia State Republican Convention; 1976 Reagan Delegate to Virginia State Republican Convention.

1976-78: Member, Alexandria Republican City Committee.

1970: Buckley for Senator, New York, NY. (see above)

1968: Nixon for President. Volunteer in New York City office.

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by Jacqueline E. Schafer in connection with her nomination follows:]

UNITED STATES SENATE

COMMITTEE ON ARMED SERVICES

Room SR-228

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearings and will also be published in any hearing record as well as made available to the public.

1. **Name:** (Include any former names used.)

Jacqueline E. Schafer

2. **Position to which nominated:**

Assistant Secretary of the Navy (Installations and Environment), Department of the Navy.

3. **Date of nomination:**

January 30, 1990.

4. **Address:** (List current place of residence and office addresses.)

[Nominee responded and the information is contained in the committee's executive files.]

5. **Date and place of birth:**

October 12, 1945; Greenport, NY.

6. **Marital Status:** (Include maiden name of wife or husband's name.)

Single.

7. **Names and ages of children:**

None.

8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.

New York University Graduate School of Business, New York, NY, 1968-1969 (evenings), incomplete (M.B.A.).

Middlebury College, Middlebury, VT, 9/63 to 6/67, A.B., Economics (1967).

Southington High School, Southington, CT, 1/63 to 6/63, High School Diploma.

Teaneck High School, Teaneck, NJ (and Thomas Jefferson Jr. H.S.), 1/60 to 12/60, transfer.

Shelter Island High School, Shelter Island, NY, 9/59 to 12/59, transfer.

9. **Employment record:** List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.

Staff Assistant (Geological Survey), U.S. Department of the Interior, 18th and C Streets, NW, Washington, DC, 20240, October 31, 1989 to present.

Staff Assistant (Fossil Energy), U.S. Department of Energy, 1000 Independence Ave., SW, Wash., DC 20585, October 1-30, 1989.

Member, Council on Environmental Quality, Executive Office of the President, 722 Jackson Place, NW, Wash., DC 20503, June 1984 to September 1989.

Regional Administrator, Region 2, U.S. Environmental Protection Agency, 26 Federal Plaza, New York, NY 10278, March 1982 to May 1984.

Professional Staff Member, Committee on Environment and Public Works, United States Senate, Wash., DC 20510, January 1977 to March 1982.

Office of U.S. Senator James L. Buckley, United States Senate, Wash., DC 20510, January 1971 to December 1976.

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

None.

11. **Business relationships:** List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

Trustee, The Philadelphia Society, North Adams, Michigan, a non-profit educational organization, since April 1989.

12. **Memberships:** List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

The Philadelphia Society, since April 1982.

The Nature Consevancy.

13. **Political affiliations and activities:**

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

Member, Arlington County Republican Committee and Fairlington Precinct Chairman (1979-1982).

Member, Alexandria Republican City Committee (1976-78).

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

Local precinct volunteer for Republican candidates for Federal, State and local offices.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $100 or more for the past 5 years.

Alan Keyes for Senate (1988): $125.

Friends of Faso (1986): $100.

14. **Honors and Awards:** List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

None since high school.

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

None, other than reports I have prepared in the course of my government employment, which were not published on my own personal behalf (e.g., Environmental Quality Report to Congress).

16. **Speeches:** Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

Any remarks or speeches from 1984-1988 were from handwritten notes. Introductory remarks given at the 53rd North American Wildlife and Natural Resources Conferences were published in *Transactions* (1987). They were given to communicate the previous administration's activities on selected environmental topics, such as outdoor recreation policy. None was before a partisan political audience.

17. **Selection:**

(a) Do you know why you were chosen for this nomination by the President?

I believe I was nominated based on my 19 years employment experience, in positions dealing with environment and natural resources policy, legislation, and Federal agency management, coupled with the President's policy to recruit qualified women who can support his goals to serve in his administration.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular position?

I believe my appointment experience with the U.S. Senate Committee on Environment and Public Works, the U.S. Environmental Protection Agency, and the President's Council on Environmental Quality has equipped me to assume responsibility in this position.

18. Commitment to testify before Senate committees: Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

Instructions to the Nominee: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

Name: Jacqueline E. Schafer.

Part B—Future Employment Relationships

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

Part C—Potential Conflicts of Interest

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

Part D—Legal Matters

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

Part E—Foreign Affiliations

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past 10 years have your or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employers, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either, individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

JACQUELINE E. SCHAFER.

This 29th day of January, 1990.

[The nomination of Jacqueline E. Schafer was reported to the Senate by Senator Sam Nunn on March 8, 1990, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on March 9, 1990.

NOMINATION OF LT. GEN. CARL W. STINER, USA, TO BE GENERAL AND COMMANDER IN CHIEF, U.S. SPECIAL OPERATIONS COMMAND

TUESDAY, MAY 22, 1990

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 2:08 p.m., in room SR-222, Senator Sam Nunn (Chairman) presiding.

Committee members present: Senators Nunn, Exon, Dixon, Gore, Warner, Cohen, Wilson and McCain.

Committee staff members present: Arnold L. Punaro, staff director; Andrew S. Effron, general counsel; Christine C. Dauth, chief clerk; Richard D. DeBobes, counsel; and Daniel G. Sakura, research assistant.

Professional staff members present: Richard D. Finn, Jr., John J. Hamre, David S. Lyles, Michael J. McCord and Frederick F.Y. Pang.

Minority staff members present: Patrick A. Tucker, minority staff director and counsel; Romie L. Brownlee, deputy staff director for the minority; and George W. Lauffer, professional staff member.

Staff assistant present: Barbara L. Braucht.

Committee members' assistants present: Andrew W. Johnson, assistant to Senator Exon; Kenneth N. Luongo, assistant to Senator Levin; William J. Lynn, assistant to Senator Kennedy; Charles C. Smith, assistant to Senator Dixon; Milton D. Beach, assistant to Senator Glenn; Leon S. Fuerth, assistant to Senator Gore; Melvin G. Dubee, assistant to Senator Byrd; Christopher K. Mellon, assistant to Senator Cohen; Patrick F. McCartan, assistant to Senator Wilson; Anthony H. Cordesman, assistant to Senator McCain; Robert M. Soofer, assistant to Senator Gorton; Charles G. Pearcy, assistant to Senator Lott; and Eric H. Thoemmes, assistant to Senator Coats.

OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman NUNN. The committee will come to order.

The Armed Services Committee meets today to consider the nomination of Lt. Gen. Carl Stiner to be Commander in Chief of the U.S. Special Operations Command.

Beginning with the actual establishment of the Command, this committee has taken a deep interest and been very involved in its growth and development. Therefore, we certainly have a special interest in the qualifications and the views of the officer selected by the President to be its new Commander in Chief.

Since its formation in 1987, the Special Operations Command has made substantial progress in organizing, training and equipping its forces. Special operations forces are now much more capable of performing their peacetime and wartime missions, including training assistance, counter-terrorism, counter-narcotics operations and regional contingencies.

Despite this progress, some problems still exist in terms of the Command's requirements for certain modern equipment, and in terms of its relationships with other elements of the Defense Department. I hope the continued steady development of the Command will resolve these remaining problems.

In addition, the outstanding performance of the Special Operations Command and its forces in Operation JUST CAUSE confirmed its importance in our defense establishment. Much of the credit, as I view it, for the Command's progress during the last 3 years should be given to Gen. James Lindsay, its current Commander in Chief as well as to those members of Congress, particularly Senator Cohen and the late Congressman Dan Daniel, who have actively supported this Command.

General Lindsay is retiring from the Army later this month, so I would like to take advantage of this opportunity to commend him on behalf of our entire committee for almost 40 years of distinguished military service. The Members of Congress who initiated the establishment of the Special Operations Command are especially grateful that General Lindsay was selected to be its first Commander in Chief. As a result of his strong leadership, the Command is now in a position to assume an increasingly significant role in a new international security environment.

The President has chosen a highly experienced military officer to continue General Lindsay's leadership of the Special Operations Command. General Stiner has served in the U.S. Army for more than 31 years in a variety of Army staff, joint staff and field positions. His assignments with the Rapid Deployment Joint Task Force, and the Joint Special Operations Command are particularly relevant to the position for which he has been nominated.

I first met General Stiner in the mid-1970s, when he was a colonel in charge of the training brigade at Fort Benning. It does not seem like that long, but it has been quite a while. I have followed his career with interest since then. I recall his outstanding work both at Fort Benning and at the Joint Special Operations Command.

When I visited him there, General Stiner had shown great initiative in buying off-the-shelf equipment to meet his deficiencies and in developing his forces' skills. I wish that had been a contagious disease, and we had done a whole lot more of it in the years since then.

Finally, General Stiner's testimony to the committee over the years has been both candid and very helpful. Most recently General Stiner served as Commander of the Joint Task Force that carried out Operation JUST CAUSE in Panama. As I have said often before, I consider that operation to have been an overall success, and I congratulate General Stiner and the brave men and women in his task force.

Also, I greatly appreciate the time and courtesy, General, you extended to Senator Warner and Senator Robb and to myself when we visited Panama shortly after that operation took place. Both General Stiner and General Thurman, the Commander in Chief of the U.S. Southern Command, were very helpful in explaining the operation to us.

General Stiner has submitted written answers to the advance questions that I sent him on a number of defense issues relating to the position for which he has been nominated. These questions cover such topics as special operations, intelligence missions, lessons learned from Operation JUST CAUSE and certain erroneous reports from Panama.

General Stiner's answers were made available to the committee members approximately 2 weeks ago. We also forwarded questions to General Stiner on behalf of Senator Boren and Senator Cohen, the Chairman and Vice Chairman of the Senate Select Committee on Intelligence. If there is no objection, the nominee's submissions and his biographical data will be made a part of the record. Without objection they will be.

After the committee has taken testimony from General Stiner in open session, we will, if necessary, continue the hearings in closed session in order to consider classified matters. Following the completion of our hearing with General Stiner, the committee will meet in executive session to consider matters related to the supplemental appropriations conference which is going on in just a few minutes.

Unfortunately, the Department of Defense has not yet provided the committee with all of the material we had requested in relation to General Stiner's nomination. Therefore, the committee is not able to vote on this nomination today. When we receive the material that we still need, we will consider exactly when to set the vote, but I hope it will be in the very near future.

Senator Warner is not here now, so we will defer his opening statement until he comes.

Senator Dixon and Senator Thurmond have requested that their statements be made a part of the record. Without objection they will be.

[The prepared statements follow:]

PREPARED STATEMENT OF SENATOR ALAN J. DIXON

Mr. Chairman, today we meet to consider the nomination of Lt. Gen. Carl W. Stiner to be general and Commander in Chief of the U.S. Special Operations Command. This is an important post which deserves the committee's careful attention.

In this era of dramatic change, we must be willing to re-examine all aspects of our Nation's defense policy. Special Operations Forces represent an important capability available to U.S. planners and decision makers, yet this component of our Armed Forces has perhaps never received the level of attention it deserves. I believe that the first fundamental question we must address when considering this issue is the relative importance of Special Operations in this world in transition. In other words, do Special Operations become more or less critical to U.S. security interests given the changes that are occurring in the Soviet Union and Eastern Europe?

Moreover, we must also determine the proper role for Special Operations Forces in a new national security environment. For example, are we going to have these forces play a larger role in the counter drug effort? Finally, we must also make sure that our Special Operations Forces have the equipment they need to carry out their assigned missions.

I believe that these are the types of questions that the next commander in chief of the Special Operations Command must confront. I hope that we can begin discussing them at today's hearing.

Mr. Chairman, I look forward to hearing from today's witness.

PREPARED STATEMENT OF SENATOR STROM THURMOND

Thank you, Mr. Chairman:

General Stiner, I want to join Chairman Nunn in welcoming you to your confirmation hearing, and congratulate you on your nomination as the Commander in Chief of the U.S. Special Operations Command. Your nomination is a distinct honor and a reflection of your 3 years of distinguished military service. Mr. Chairman, last week I had the opportunity to meet with General Stiner. We discussed his role in Operation JUST CAUSE and his expectations as commander of the Special Operations Command. Our meeting confirmed—in my mind—that General Stiner is the type of officer we need to follow General Lindsey, who so successfully served as the first commander of the Special Operations Command.

Once confirmed, General Stiner—like all his fellow CINCs—will face significant challenges as the Nation reduces its military force structure and defense expenditures. His challenges, however, will be somewhat greater since all indicators are that our strategy will focus on those regions and trouble spots where our Special Operations Forces are best suited to operate.

Mr. Chairman, I support General Stiner's nomination and urge the committee to recommend his confirmation.

Thank you, Mr. Chairman.

Chairman NUNN. General Stiner, we are pleased to have you. We are very proud of your career. And if you have some words for us this afternoon, we would be delighted to have those, and then we will have questions for you.

STATEMENT OF CARL STINER, LIEUTENANT GENERAL, USA

General STINER. Mr. Chairman, thank you very much for your kind remarks. I am deeply honored to appear today as President Bush's nominee to be the Commander in Chief of the United States Special Operations Command. I look forward to the challenges inherent with the leadership of this Command and to the challenges to our security interests that are likely to evolve within the next decade as a result of the rapidly changing world situation.

When we look to the future, and as we draw down our conventional forces, I think that we will all agree that Special Operations Forces will play the greatest role ever in meeting the United States' national security objectives. Your wisdom in this regard was evidenced in the Goldwater-Nichols Defense Reorganization Act of 1986 and the Nunn-Cohen amendment of 1986.

The readiness and professional competence that the world saw demonstrated by our Special Operations Forces and our conventional forces working together during Operation JUST CAUSE is a manifestation of your wisdom. General Lindsay has done a tremendous job as the first Commander in Chief of the United States' Special Operations Command, and we all owe him a great debt of gratitude for his efforts and for his contributions.

If I am confirmed as his successor, I pledge to you that I will do my utmost to ensure that our Special Operations Forces are maintained in the highest possible state-of-readiness. I also pledge my fullest energy in working with the Combatant Commanders, the CINCs, and appropriate heads of agencies to ensure that they're employed to the maximum possible and most appropriately in support of U.S. national objectives.

Thank you very much, sir. And I will be glad to answer any questions that you might have of me.

Chairman NUNN. Thank you, General.

General, if you are confirmed as the Commander in Chief of the U.S. Special Operations Command, do you agree to keep this committee fully and currently informed of all activities within the Command's area of responsibility?

General STINER. Yes, sir, I do.

Chairman NUNN. Do you agree to appear before this and other committees of Congress and respond to questions when you are asked to testify?

General STINER. Yes, sir, I do.

Chairman NUNN. And do you agree that you will give us your personal views if those are requested?

General STINER. Yes, sir.

Chairman NUNN. General, let me go over just a few lessons that you may have learned and we may have learned collectively in Operation JUST CAUSE. I believe you have said you would prefer to consider those lessons reinforced rather than lessons learned.

First of all, how would you characterize what you learned in the area of command and control?

General STINER. Sir, let me clarify what I meant by saying that we really did not learn anything new. What we did learn overall, in the overall context, was that what we were doing was right. We were focusing on the right priorities in our training, in our command and control, and in our overall responsibilities, and how we integrated our Special Operations Forces with our conventional forces.

Specifically to your question on command and control, I think the recent legislation and the establishment of the U.S. Special Operations Command was manifested here in the alignment of command and control responsibilities, in the readiness of forces, and how that all came together. Now there was a clear-cut chain of command established. There were no ambiguous command relationships. Everybody knew exactly who they were working for.

General Lindsay was very instrumental in the outcome; the readiness of his forces, in meetings where issues were sorted out before Operation JUST CAUSE took place, and in rehearsals for that operation.

Chairman NUNN. What about the equipment lessons that you may have learned, particularly in reference to the Sheridan light tanks? I know you used those and used them well. Does this tell us something about the kind of equipment we ought to be developing in terms of modern equipment and light equipment?

General STINER. Yes, sir.

We introduced the Sheridan into Panama, as you know, far in advance in anticipation that we may have to execute that contingency operation—because we needed larger caliber direct fire weapons to deal with the Commandancia than we had. We wanted to knock it out of commission as far as being an effective command and control entity within the first 5 minutes. So we infiltrated four about a month in advance of the operation.

We also dropped eight more in with the Airborne forces when the 82nd jumped. The Sheridan turned out to be an outstanding system with its 152 millimeter gun, in surgical fire power, fire support to bust buildings that we had targeted and in fighting in the city. We limited collateral damage by using the Sheridan and it was very effective in convoy escort operations, because they greatly respected the Sheridan, and they would lay off those convoys.

Chairman NUNN. What is the age of that Sheridan tank?

General STINER. Sir, it is a Vietnam era armored reconnaissance vehicle. It can only be supported through 1995 or 1998—estimates keep changing a little bit.

Chairman NUNN. Is that because it is wearing out?

General STINER. Yes, sir. What is significant about it is that you can take it to the war, you can take it to contingency operations. It can be dropped out of an airplane. And it can be used as a fire support platform during the initial stages of a contingency operation.

Chairman NUNN. Are we developing a follow-on now to the Sheridan?

General STINER. Yes, sir. There is a Special General Officers Steering Committee that has been appointed now for about 4 months. It has met several times. It is under the tutelage of General RisCassi, the Vice Chief of Staff of the U.S. Army. Its objective is to bring on a replacement, an NDI replacement if you will, as quickly as possible and to have it fielded before the current Sheridan becomes non-supportable.

Chairman NUNN. Did that decision to have this task force begin work on a replacement for the Sheridan come out of Operation JUST CAUSE?

General STINER. I think JUST CAUSE definitely validated the need and reinforced many recommendations that had already been submitted.

Chairman NUNN. So that work was already underway?

General STINER. Yes, sir.

Chairman NUNN. What about intelligence? What did you learn about, especially, human intelligence?

General STINER. Human intelligence is absolutely vital to surgical operations, particularly, of the nature that is conducted by Special Operations Forces.

One specific example was the intelligence requirements associated with the tracking of Noriega. We did not have as good an intelligence mechanism, in that regard—or information available as we had hoped to have. It was disappointing to us that we did not get him the first night.

What we had to resort to, which we had planned for in case we were unable to apprehend him quickly was a series of rapid succession search and hit operations all conducted by Special Operations Forces to keep him moving so that we could get him. But intelligence operations are absolutely key to the type operations that we conducted.

Chairman NUNN. Do you think we need to work on improving that capability then?

General STINER. Yes, sir. I think we should.

Chairman NUNN. Is that DIA? CIA? Is that everybody in intelligence?

General STINER. I think it is the whole intelligence community. I think what needs to be done is to take a careful look at those areas that we are most likely to become involved in in the future to protect our interest. And then we need to refocus our intelligence efforts on those areas and start building in those countries the support mechanisms or the infrastructure, if you will, to assure responsive and timely intelligence.

Chairman NUNN. What about the discovery of all the ammunition and guns and so forth that we did not know about? Do you think that was an intelligence lapse there? Should we have known about a lot of that that we found that we did not know about? Especially given the rather pervasive presence of American forces in Panama before the incursion?

General STINER. It is really hard to say, and we really do not know what the intent was, what Noriega's intent was to have all that ammunition or all those weapons. It is obvious that some was intended for international arms trafficking, because of the containers that they were in, such as, surveying equipment, well drilling equipment, Marlboro cigarettes and so on.

Some of that had to be going on, and some of it would have been concealed. But also one of the problems, I think, that existed, and perhaps the intelligence community could better answer this question than I, was in 1989 when Noriega declared the elections null and void; and when we broke relations with that country, so to speak, pulled our ambassador out, I think that we lost part of our intelligence infrastructure during that period of time. So that is about the most accurate answer that I can give in that regard.

The thing that surprised us most about Panama was the lack of information on the number of Dignity Battalions. We did not know how many there were, what the command and control structure was, nor how they operated, until about the third day when we captured a document that laid this out to us.

Chairman NUNN. They also fought harder than we thought they would. Did they not?

General STINER. Yes, sir, they did.

Chairman NUNN. We had underestimated those that were there.

General STINER. Yes, sir.

Chairman NUNN. So, this tells you we need to greatly improve our quality of intelligence in Third World-type situations, particularly those areas where we may have likely trouble in the future?

General STINER. Yes, sir.

Chairman NUNN. Have you made that recommendation within the Department of Defense?

General STINER. Not specifically in writing, but USSOCOM has in my judgment, to the best of my knowledge.

Chairman NUNN. What about mobilization of Reserves? I think you used the Reserve units in psychological operations and civic affairs and maybe in some other areas too. Could you tell us a little bit about the Reserves and how they did there? And whether you learned anything from that?

General STINER. Sir, the Reserve effort was primarily to support civil affairs operations. We have one Active duty civil affairs battalion in the force structure.

Chairman NUNN. In which force structure?

General **Stiner**. In the Army force structure.

Chairman **Nunn**. Active?

General **Stiner**. Active force structure, the 96th Civil Affairs battalion, Fort Bragg, North Carolina. It is primarily a tactical type organization, i.e., it deals with displaced persons, it feeds persons who need food, relieves suffering and things of this nature.

We took them with us, and they were outstanding during the initial phases of combat. But when we got into the nation-building phase of Operation JUST CAUSE, we needed people with higher levels of qualification, such as, how to raise and grow institutions of government. And, therefore, we had to turn to the Reserves for those type folks.

The Secretary of Defense elected not to exercise his authority for the 200,000 man call-up, but instead elected to go with volunteers and plenty of volunteers came forth. Most volunteered for a 3-week period of time, because it was easier to get off—relatively easy to get relief from their civilian job for that amount of time.

And so we had a constant turnover with people coming in for 3-week periods. They are all good people, and they all worked hard. But that is something that needs to be looked at for the future as to how we should go about addressing that issue. That has been submitted as a recommendation, or it will be, shortly.

Chairman **Nunn**. You mean by that you needed more continuity?

General **Stiner**. More continuity or another unit of the more advanced skills; the nation-building type civil affairs in the Active force structure.

Chairman **Nunn**. Of course, my view of that is, we are going to undermine the whole reserve concept, if we do not find somebody over in the Pentagon at some point who is willing to use that 200,000 authority. That was put in the law specifically, because we knew that after the Vietnam experience that the Reserves had been greatly undermined, because they would not have a willingness to declare a national emergency and call them up—political willingness.

That was put in the authority. I sponsored the bill so that we would not have to declare a national emergency, so that the Reserves could be called up in specific units, where they are needed, which would greatly enhance the capability and credibility of the Reserves and also save us some money. But if we take the view they are not going to be called—it is very hard to justify having anything in the Reserves that cannot be called.

And I do not know what the big political problem is. Maybe there is one there I do not see. It seems to me we would be better off with smaller units, even if we have to get smaller and get people that are willing to be called. My impression is most reserve units are willing to be called. But somehow that perception does not exist in the Pentagon.

Senator **Wilson**. Mr. Chairman?

Chairman **Nunn**. Yes.

Senator **Wilson**. Mr. Chairman, if I might interject a question here. General Stiner, did I understand you to say that for the sort of nation-building activity you were relying on Reserves, but you do have a Regular unit, that is assigned that responsibility. Is that correct?

General STINER. No, sir. The Regular unit is mainly a tactical type unit, handling displaced persons, feeding people and so on.

Senator WILSON. You are not necessarily going to have the same situation in every circumstance that you did in JUST CAUSE when you were dependent upon surprise. But I would think you would in most. And I gather that what you are talking about in terms of trying to mobilize those volunteers means that you had to wait until JUST CAUSE had been a military success and you had the situation stabilized, and then the call went forth for those volunteers.

Otherwise, are you not risking compromising the security of the operation?

General STINER. Yes. That is a consideration. Now, this tactical battalion that is at Fort Bragg can do more than just handle displaced persons. They have some limited expertise in local government issues and stability operations and so on. But when you get into the larger areas of institutions, of government such as water works, health affairs, educational institutions, etc., that expertise lies within the Reserves.

Chairman NUNN. But we are really talking about after the combat part over here. And there was an awful lot of need down there for people to help restructure the government. So we were not talking about letting them know beforehand. But I believe the problem was that the volunteers—most of them came for 3 weeks, and you probably needed some people there for 6 to 9 weeks. But the ones there did a good job. Is that right?

General STINER. They sure did.

Chairman NUNN. Let me just ask one more question, and I will yield this round. General Stiner, of course, the issue of using women in combat came up and has come up and will continue to come up. Did you learn anything in the Panama operation that indicates we should change the law or the regulations on the involvement of women in combat?

General STINER. No, sir, I did not.

But first of all the situation in Panama was unique in itself. When the shooting started everyone was subject to being in combat, because you were likely to get mortared or sniped at or whatever. It was all over the area. That kind of combat is different than combat that most of us know and experienced in Vietnam, where you have to live out of a rucksack that weighs 80 pounds to 90 pounds and hump it every day. And there are very few opportunities for hygiene and things like that.

The women that we had in Panama did an outstanding job. Most of them were in support roles. The women in Panama feel that they did an outstanding job. They feel that they made a great contribution. The women that were in Panama—and I am giving you the benefit of what all these women told Congresswomen Byron's committee when she came down to Fort Bragg—they feel that they are not discriminated against, that they are treated and promoted equal with men, so long as they perform to the standards expected of all soldiers. They do not want to be a part of the infantry, because they feel that their physical ability is a problem in that regard.

Chairman NUNN. You are saying that is the majority view? Or are you saying that——

General STINER. That is the majority view.

Chairman NUNN. Well, I guess the final question is, do you favor allowing women to serve in combat units?

General STINER. No, sir, I do not.

Chairman NUNN. You want to tell us again why?

General STINER. I think they do an outstanding job in the skills, the MOS, that they are in. But women, through no fault of their own, have certain physical limitations that would give them problems in combat units, i.e., upper body strength.

Chairman NUNN. The question always comes up, and let me get your view on this, because this is what we will have to answer: suppose a woman does have plenty of upper body strength. Suppose the woman has no physical disadvantage at all. And there are some, of course, women that have greater upper body strength than some men who are in combat. What do you say to that one? Should that woman be prevented from being in combat if she wants to?

General STINER. There are some who could carry the 80-pound rucksack. I do not doubt that. But I do not feel that there is a compelling need to put women in combat units. And I do not necessarily think that the majority of women want to be in combat units.

Chairman NUNN. So you believe that there is a majority view of women in the military in the Army now?

General STINER. Yes, sir. I know it is the view of those that I have at Fort Bragg.

Chairman NUNN. You have talked to them about it?

General STINER. Yes, sir.

Chairman NUNN. Senator Wilson.

Senator WILSON. Thank you, Mr. Chairman.

General Stiner, your experience in JUST CAUSE with the Dignity Battalions is of concern to me. You indicated in your response to the Chairman's question that we were surprised by the degree of their readiness to fight, and the fact that they did fight as well as they did.

I have the same feeling as the Chairman. I find it difficult to understand, how it was that we had so little information about that? I gather from your statement that our human intelligence in this operation was limited. And I have heard your comments with respect to how we redress that situation and create a need for it, or rather respond to the need.

Do I take it, then, from what you said that most of the intelligence that we had was based upon other than human intelligence? Maybe this is something you cannot get into in an open session?

General STINER. I do not know the answer to that question because that was primarily handled at the CINC level, General Thurman's level. But we had no intelligence or very limited intelligence on these Dignity Battalions, except we knew they existed. Because we saw them take to the streets in May of 1989 to beat up the people.

Senator **Wilson**. Well, that was the thing I was thinking about. I remember the photographs, as I am sure we all do, of Vice President Ford after he had been beaten. And the cut-lines on the photographs identified the people involved, these thugs, as being members of the Dignity Battalion.

It would seem to me that one source of human intelligence available to us are the droves of refugees from—to indicate another area—Central America. And we certainly, I would assume, had—though a lesser number—some from Panama. Do we make any effort through these people who are recent refugees to determine what the status of the military is in these areas?

General **Stiner**. I just do not know. And perhaps the Agency can answer that better than I can.

Senator **Wilson**. It would seem to me that that is a potential resource of some value and not in short supply. I would assume that it would apply as well to Cuba. What would be your assessment, as a result of JUST CAUSE, of the two or three things that we need to do to improve that kind of an operation?

General **Stiner**. To improve the operation in general, or our ability to conduct such an operation?

Senator **Wilson**. Well, I think they are much the same.

General **Stiner**. Yes, sir. I go back to what I said earlier in response to Senator Nunn's question on intelligence. And let me preface that by saying that we have outstanding forces. We have the best capability in the world for conducting contingency operations and, especially, surgical type operations. And you saw all of that put together and demonstrated in JUST CAUSE. But they are only as efficient—and I use that term "efficient" carefully—as the intelligence that they have.

If you have good detailed intelligence, then they can do the job very efficiently with limited casualties on both sides; it is a surgical type operation. If you do not have adequate intelligence, then you have to compensate by accepting additional risk or planning for additional fire power.

Senator **Wilson**. What about your communications once you were actually in the operation? One of the problems that was politely reported in terms of the Grenada operation, which was a success in a number of ways, was in terms of communications.

General **Stiner**. We had outstanding communications from the beginning. One area where we placed major emphasis was on developing a joint communications and electronics operating instruction, a little booklet about that thick that contained every call sign and every frequency for every unit in the whole operation.

We implemented this at the beginning, and we did not change it, so everyone could talk to each other. Unlike Grenada, where this did not exist.

Senator **Wilson**. Is it not also true that in this instance a significant difference between JUST CAUSE and Grenada was that in Grenada they did not have the preparation? They had not had the time; they had not as carefully rehearsed what they were going to do.

General **Stiner**. You are right, and that makes a major difference. Down the chain of command, we had outstanding communications. This operation did validate—and this is in General Lindsay's program 11—that we still need downsized or smaller-sized radio equipment, and equipment that does not have a signature, especially, for your Special Operations Forces. And all that is in the program, and it has been funded and hopefully will come about in the next few years.

Senator WILSON. Thank you, General. Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator Wilson.

General Stiner, just on that latter point, if I could interject. I was in Europe not too long ago and was briefed by some forces there that were showing me the radio equipment. And they were showing me the Army equipment now, and what you can get at the Radio Shack. And the Army equipment is just about like that and Radio Shack is about like that and better quality. Maybe in your new position it is time to take a look on the shelf again.

General STINER. Sir, we are going to do that.

Chairman NUNN. I would encourage you to wander through the Radio Shack, as I am sure you have, and maybe take a few of those people over in Army procurement and grab them by the coat and have them wander through there with you.

Senator MCCAIN. This is not a commercial?

Chairman NUNN. That is the only name I know. If you know any others, we will put all the competitors in. But I just get disturbed when I see the average soldier out there without the kind of equipment that you can buy off the shelf. Now, certainly there are things wrong with it from time to time, but I think we over-specify many times, instead of going with things that can be bought. And I hope you look at that.

Senator WILSON. Mr. Chairman, in that same regard, it would be interesting to find out what we are doing to reduce the weight of that 80-pound to 90-pound rucksack which relates to your questions about upper body strength of women. But it also relates to the energy of the combat trooper. He would probably have a lot more, if he could cut the weight of that thing by half or maybe even more.

General STINER. Yes, sir. Well, this will greatly help. The average rucksack for the current radio operator weighs between 110 pounds and 125 pounds. And most of that is because of the IRK-101 SATCOM radio and three days worth of batteries that he has to carry.

The HST-5 radio that is replacing that in the Special Operations Forces and hopefully in the near future for all the contingency forces weighs only about one-third of what that current radio does. The SOPARS radio system that is under development for Special Operations Forces has three parts to it and the total thing will not weigh more than 35 pounds. So you are exactly right. We have to continue to downsize. And that is possible through the miniaturization process.

Senator WILSON. Thank you.

Chairman NUNN. Thank you. Senator Exon.

Senator EXON. Mr. Chairman, thank you very much. General, welcome here.

General STINER. Thank you, sir.

Senator EXON. You are assuming a very, very important command, and it is something that we in the Armed Services Committee have been working on for a long time, and I hope you feel that we have been fully cooperative and appreciative of the vast strides that have been made.

I reference Secretary Cheney's annual report to the President and the Congress, wherein he outlined three basic premises with regard to the Special Operations forces. First, he said that personnel quality must be emphasized and maintained at an extremely high level which I think is somewhat self-explanatory. Two, the rapid projection of forces demands high mobility capabilities, and three, he emphasized the organizational development of the Special Operations Forces through the consolidation of the Special Operations Command.

In view of those three key elements that the Secretary of Defense defined, which I assume you agree with, could you give us what your ideas would be to go further in this area? And how do we go about it?

General STINER. Sir, let me first address personnel quality. I think that personnel quality is the highest now that it has ever been. Starting with the basic volunteer or recruitment qualities, each service has established a policy, whereby any officer or noncommissioned officer can volunteer; and they have to meet certain criteria. They have to have secret clearance, they have to have an outstanding background, no disciplinary actions and so on and so forth, be physically fit and so on.

So they are getting the best volunteers—and then they run them through a selection course, and take only the best. And they do have the best of all services. Then on top of that I think that Title IV plays a role in this, in the joint education of our officers. You see a lot of good officers now making a move toward the joint arena that you didn't used to see.

I think the establishment of the U.S. Army—the United States Special Operations Command and the authority that was given to General Lindsay to oversee promotions and career development and so on contributes greatly to that. The emphasis on better training and especially language training contributes.

So I think that all the right programs have been set and focused appropriately to ensure that we have the highest possible quality in our personnel in the future.

As far as rapid projection of forces, Special Operations Forces are like any other contingency forces. You can only move them as fast as you have the dedicated capability to move them with. Now, there has been great progress made over the last 6 years in this regard. For example, JSOC has dedicated C-141s to move its forces, unlike when I was in JSOC. It also has other means of aircraft that you probably know about that I should not mention here in open session. So, it has flexibility to deal with the situation.

In the budget with regard to mid- and short-range projection capability, mainly helicopter forces, that has been funded appropriately, and those programs are under way. That is one thing that JUST CAUSE did validate—the emphasis that has been put on the COMBAT TALON aircraft and their improved navigational systems. They found the drop zone at Rio Hato; they dropped the rangers right on the money.

The PAVE LOWs, the 53-J helicopters, proved their worth. They and the air-refuelable C-47s gave us extended range and greater capability that we never had before. So we have made great progress there.

The area that still needs to be addressed—is the area of long range extraction. In some cases, we can get our teams in, but we would have great difficulty in getting them out in one night. That needs to be addressed and there are studies under way. USSOCOM in working with the United States Air Force Systems Command has studies under way to address the best way to do that.

Senator EXON. Let me jump in right there. You did not mention the C-17. You do not have the C-17 now.

General STINER. Yes, sir.

Senator EXON. As the commander of these forces, would you say that 5 years from now this force would not be as mobile as you would like to have it or it should be without the C-17? How important is that?

General STINER. The C-17 is a very important airplane, when you look to the future. It will greatly enhance not only our mobility, but also where you can put forces into denied areas that we could not put them into heretofore, except for STOL-type aircraft or C-130s. The C-17 can go in there, and it has a much greater range, so it will greatly improve our capability to do so.

Senator EXON. What about the last point, emphasizing organizational development of Special Forces through the consolidation of command? Is that something that you think has been pretty well accomplished so far? Or do we have further to go in that area?

General STINER. No. I think, sir, that it has been pretty well set on track by General Lindsay and the work that he has done. There have been command operating arrangements and memorandums of agreement entered into at all appropriate levels within the services and commands as to how operations will take place, and how they will be supported.

I think his headquarters, and pulling everything under his headquarters that has been pulled in the way of responsibilities, was definitely the right way to go.

Senator EXON. Thank you, General. Thank you, Mr. Chairman. My time is up.

Chairman NUNN. Thank you, Senator Exon. Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

Thank you, General, for being here and for some very enlightening testimony. On page 17 of your testimony you talk about the possibility of the Panamanian defense forces being aware or alerted to the fact that a military operation might take place. You say that, "Many PDF officers had seen the 10 p.m. news report that the 82nd Airborne had left Fort Bragg. There is no indication that they knew for certain that it was headed for Panama." Where do you think they thought it was going? Alaska?

Would you, General, if you were a Panamanian defense force member and you saw on CNN that the 82nd Airborne had left Fort Bragg, at least heighten your state of alert?

General STINER. Well, I think some were, and that is the reason that some held meetings—some of the officers that night and tried to decide what to do. And some did call in their forces; others elected not to.

Senator McCAIN. So, at least the more intelligent of the group recognized that there was a distinct possibility the 82nd Airborne was headed their way?

General STINER. That is true. But, let me also say this, we had used an EDRE, Emergency Deployment Readiness Exercise, which we conduct all the time, at least one a month as a cover for this. And we had covered this one, and we had flown out of Fort Bragg as we traditionally do. Now, perhaps in a formation not that large, but that was the cover we had given to this.

Senator McCAIN. How do you prevent that from happening?

General STINER. It is—you mean from——?

Senator McCAIN. When a military unit is deployed from a base of the United States, how do you prevent the news media from reporting it—CNN is carried every place in the world today—so the enemy is alerted to the fact that there has been some kind of deployment?

General STINER. Yes. First, let me say, we went to every measure possible, and even the ice storm helped because it gave us an excuse to close the base.

Senator McCAIN. So you cannot prevent it?

General STINER. I think it is virtually impossible. Because there will always be people that will call in. I hate to think that.

Senator McCAIN. Does that concern you?

General STINER. Yes, it does.

Senator McCAIN. Could you tell me a little bit about the performance of the Apache helicopter during Operation JUST CAUSE?

General STINER. Yes, sir. First of all we deployed the Apache to Panama in advance, about a month in advance, because we needed the ability to be able to see farther at night than the normal pilot can with ANVIS-6 night vision goggles. He can only see between 300 meters to 500 meters. The Apache can see about 5 miles.

We had two needs for the Apache on the first night, the night of H Hour. One was to be able to watch those critical targets that we were very concerned about. One was battalion 2000 that had reacted in the October 3 coup so quickly, stationed at Fort Cimarron. We wanted to make certain that it stayed put. We could watch it with the Apache, and if it started to move, we could interdict it; they were reporting directly to me.

The second was Tennihitas, where the first infantry company set up on top of that hill, we knew there were a lot of mortars there, particularly, in that area—particularly 120 millimeter mortars that could interdict Howard Air Force Base. And we were very concerned about that, having airplanes on the ground burning at Howard. So if those mortars started shooting, we wanted to know about it and wanted to have the capability to do something about it.

The third was at Rio Hato, where the rangers had to drop, because there would be a possibility that night that the cloud cover would be so low that the AC-130 gunship could not operate. We wanted something with the range and capability that could operate underneath those clouds. Those were the primary reasons.

Senator McCain. And how was the performance of the helicopter?

General Stiner. Another main consideration was to use the Hellfire missiles as surgical weapons. Their performance was outstanding. We had some repair parts problems, because it is still a new system. This was its first test of combat. The Hellfire missiles were very accurate, and the helicopter did exactly what we expected it to do.

Senator McCain. And you would say it passed its first test of combat?

General Stiner. I would. The Army still has some repair parts problems that have to be fixed.

Senator McCain. Would you say that in the missions that you described there was another weapon system that you could have used that would have done the job as well?

General Stiner. No, sir, I do not think so, not that could stand off that far and see like we wanted to see.

Senator McCain. Thank you. Finally, are you satisfied with the command relationship you have with the Seals now?

General Stiner. Yes, sir.

Senator McCain. Do you feel there is sufficient integration and operational control?

General Stiner. Yes, sir. I have no problem with that.

Senator McCain. Thank you very much, General. Thank you, Mr. Chairman.

Chairman Nunn. Thank you, Senator McCain.

Senator Gore, do you want to go now? Senator Warner has not had his turn yet. And then we will call on you next, if you would like to do that.

Senator Gore. I would just like to very briefly, Mr. Chairman, say a word of welcome to my fellow Tennessean here at the proceeding this morning. And other than that, I will not go out of order, and I appreciate the courtesy. I will yield.

Senator Warner. Feel free, Senator.

Senator Gore. No, please, go ahead.

Chairman Nunn. Senator Warner.

Senator Warner. General Stiner, it is nice to see you again. We just had our first meeting as a sort of a baptism under fire when the Chairman and I went to the theater of operations there in Panama to observe firsthand the execution of that very fine military operation by you and General Thurman. And then following your departure, Mr. Chairman, by pure coincidence we observed the circumstances which enabled us to take into custody General Noriega begin to unfold.

At your invitation I accompanied you into the command post and observed you and General Thurman, who was down, I think, across from the Commandancia or some area, perform that operation whereby he was apprehended and then transmitted quickly to the United States. That left a very profound impression on me to have had that opportunity to observe there firsthand your professionalism as a military officer. While I have complimented you before, I wish to do so now once again.

General Stiner. Thank you, sir.

Senator **Warner**. The President has selected you for this particular position and that in itself is a high commendation that he has chosen you from the many to take on this position. But, as you well know, it was one created by the Congress of the United States as a consequence of a concept put forward first by Mr. Cohen of this committee and Mr. Daniels, a colleague of mine from the State of Virginia, and eventually incorporated under the Goldwater-Nichols Act.

I remember so well that when we worked on that law, I certainly, speaking for myself, had in mind that the CINC would be a soldier diplomat. There is no question about the professionalism of the individual as a soldier to occupy this position but also, he has to possess in my judgment certain skills to be a diplomat.

Often times diplomats have a lot of time in which to perform their functions. But in this instance you are not likely to have a lot of time. You have to—well, in essence this position is not one for one who talks before he acts; he has to think it through. And one does not act before he carefully plans the operation. Naturally, when planning the operation, no matter how quickly it must be planned and executed, it must be within the framework of our laws of this country and within the spirit of the doctrine of civilian control over the military.

That puts the CINC in this position, if not the most unique CINC, in a most unique place in our entire military structure. The purpose of this hearing today is to assess your qualifications to meet that unusual set of criteria.

Senator Nunn and I and Senator Cohen serve on the Intelligence Committee, and that committee together with this committee have been looking into certain areas of intelligence as it relates to your command. We are aware of reports that General Lindsay has submitted a proposal for changes in the approval process for certain "intelligence like" activities that are now carried out by the Special Operations Forces.

As I understand it, the current approval process for these activities now involves agencies from the Government, other than the Defense Department, as it should in my judgment. But reportedly under the proposal only the Secretary of Defense on behalf of the national command authority would have to approve such activities.

The threshold problem, as I see it here, is how do we divide activities so as to carefully bring under that definition matters which are intelligence, and at the same time allow the CINC to perform such work as he deems necessary in his professional judgment, to plan for an operation?

I will go into this in some greater detail in closed session. It may be that you want to reserve your responses until that time. But I think it is important that we, to the extent we can, lay down a few markers here on this problem. First the proposal by General Lindsay, could you comment on that?

General **Stiner**. I am not familiar with all of the details of the proposal that General Lindsay has submitted. I understand that he submitted that to General Powell last Tuesday, and it is in staffing in the Joint Chiefs of Staff—the Office of Joint Chiefs of Staff.

If I am confirmed, I intend to look into that in detail and make my recommendations to General Powell on that. I am sure that he will do what is right. He will make his recommendations to the Secretary of Defense, and then he will deal with it appropriately.

Senator **Warner**. General, I will have to, in consultation with our Chairman and other members of the committee, take a look at that procedure. It may well be that this Senator feels that that issue is going to have to be resolved prior to such time as this committee completes the work on your nomination, not because of you personally, but it is such an important part of the responsibility of this CINC that I would want to assess the recommendations of General Powell in the light of your background and so forth. But, again, there will be others who will address that issue.

Now, let us look at another aspect of intelligence. Until recently certain units which were formerly part of the Army Intelligence Command were transferred to the Special Operations Command and oversight procedures for these units were changed. This committee and the Senate Select Committee on Intelligence have in the past expressed great reservations about the existence and control of these units.

I would say this Senator, within the past 10 days, as a consequence of hearings, has reiterated my concern about this subject. My concern basically being, are we establishing parallel intelligence capabilities in certain areas with the Federal Government where they belong and are there now by law? And are we now permitting a parallel setup to be established within the command to which you have been designated by the President?

In fact, this committee has authorized appropriations for those units as they exist today, only based upon written assurances of the former Secretary of Defense, concerning the control and oversight of these units. Yet now we learn that the control and oversight has been changed with no formal advance notice to either the Armed Services Committee or the Special Committee on Intelligence.

Furthermore, this committee has asked for a written description of the control and oversight procedures. But the Department has either failed or refused thus far to provide the information.

Well, in summary, General, I just want to say that I have neither heard nor seen compelling evidence, first, to justify the continued existence within the Department of Defense of these units. If it is the judgment of others that they should continue to exist—and I hope the Congress would be heavily involved in that decision—I am still concerned about the need to change their control and oversight from the original manner in which we established it.

Now, I will be asking more specific questions in our closed session. But are you generally familiar with that area which I am discussing?

General **Stiner**. Sir, I am familiar with that. I think it was the Defense Authorization bill of 1989—the Intelligence Annex that was associated with that—that directed the Department of Defense to do a study on this particular unit that you are talking about.

Senator **Warner**. That is correct. I put those provisions in.

General **Stiner**. Yes, sir. And that study was done. It was my understanding that the recommendation from that study was forwarded back to Congress and has been acted upon by the Secretary of Defense.

I am also familiar with the laws that govern clandestine intelligence activities and I am familiar with the oversight process. I will be prepared to go into that during the closed session.

Senator **WARNER**. All right. That study recommended that this unit be established within your respective command.

General **STINER**. Yes, sir.

Senator **WARNER**. But my recollection is the study did not change the procedures for the oversight. But we will discuss that in our closed session. I would have an additional question or two should you have a second round in the open session, Mr. Chairman.

Chairman **NUNN**. Well, I think we will. We will rotate.

General, let me just say, I share Senator Warner's concern in respect to the subject he just raised. We are going to have to go into most of it in closed hearing. But I think you ought to let the Secretary know and the Chairman of the Joint Chiefs know that not only is the leadership of this committee concerned in this area, that we move cautiously and do the right thing, but the Intelligence Committee is also very concerned.

We do not want to duplicate the organization of the CIA. We do not want to lose the civilian oversight and that is what is at stake here. I do not think anyone intends to do that, but you have to put oversight at a level where the people doing the overseeing have time to do it. You can say that the President of the United States is to give civilian oversight to the entire operation of the DIA and the CIA. But everybody that ever knows anything about government knows that he does not have time. Somebody below him has to do it and that principle flows all the way down the chain of command.

So we want to make sure that our special operations forces have the right kind of intelligence. We want to make sure the CIA does its job, we want to make sure the intelligence areas of the Defense Department do their job. But we also are absolutely insistent that civilian oversight of those intelligence activities not be lost. That is the bottom line, I think, that Senator Warner is alluding to.

I think it is fair to say that Senator Cohen and Senator Boren, as well as Senator Warner and I, have talked and are very concerned that this area has been—there is a big history in this area; there is a history to it of some real problems. We think we have cured those problems with the kind of oversight that has been set up now in an effort to strengthen intelligence; we do not want to go back and replay history again.

So I hope that you and General Powell and Secretary Cheney will all consider this. We have considered it, as Senator Warner stated, at length with Secretary Carlucci and have a written understanding with him. We know he is no longer Secretary of Defense. But there has to be a corporate memory in that building over there. We want to make sure that we are on all fours in terms of understanding where you are going in that respect.

So I think Senator Warner has raised this question himself, but I also think his question has reflected the concern that I have and that Senator Cohen and Senator Boren have. I think the other members of the committee that have focused on it also share that.

General, let me ask you a question on another subject, and then I will go back to the second round on everybody. You are the commander of the Airborne Corps. Is that right?

General STINER. Yes, sir.

Chairman NUNN. The DOD Inspector General recently completed a report on the actions taken against an 18th Airborne Corps soldier in Honduras, Private James Griffin, during an investigation into a weapon which Griffin had reported to be missing. Are you familiar with that in general?

General STINER. Yes, sir, I am.

Chairman NUNN. Correct me where I am wrong, but it is my understanding that, according to the DOD Inspector General's report, Griffin was awakened at midnight, handcuffed and turned over to Honduran soldiers. With American soldiers present, according to the IG report, his head was covered by a hood and he was forced to ride on the floor of a military vehicle to a Honduran Army compound.

Throughout the remainder of the night, again according to the report, he was interrogated about the missing weapon. During this time he was handcuffed, not allowed to sleep and moved about in an effort to confuse him. Water was poured on his head, and he was forced to sit on a wet floor. When other American soldiers arrived in the morning, they instructed his interrogators to make sure that he did not sleep for more than a half-hour at a time, and not for a total of more than 4 hours.

During the approximately 17 hours he was in Honduran custody, he received only a small packet of beans to eat. During this time he maintained his innocence and continued to do so until higher American authorities ordered his return to American control. He subsequently was discharged with a general, rather than honorable discharge, on the grounds that he had committed a serious offense—negligent loss of a weapon.

The IG, however, examined the discharge proceedings and found—and I quote from the IG—"There was no evidence that Private Griffin committed any offense, much less a serious military or civil offense." This episode raises a number of questions. When did you first learn about this incident?

General STINER. I learned about it on the evening of March 22.

Chairman NUNN. What actions did you take when you learned about it?

General STINER. I picked the most senior colonel that I had, one that I had full confidence and faith in, and dispatched him and a lieutenant colonel, a lawyer, to Honduras the next morning to investigate it in detail.

Chairman NUNN. Did they keep up that investigation?

General STINER. Yes, sir, they did.

Chairman NUNN. What was the name of that team that you sent down there? Did they have a name? Was this under the IG?

General STINER. This was my own investigating team. It was the 18th Airborne team headed by Colonel Tom Brett, my Dragon Brigade commander, to conduct an Article 15-6 investigation and to make appropriate recommendations in the case.

Chairman NUNN. Did they do that?

General STINER. Yes, they did.

Chairman **Nunn**. They did?

General **Stiner**. Yes, sir. They completed their work and submitted their report on June 6.

Chairman **Nunn**. Did that report come to you for action?

General **Stiner**. No, it did not.

Chairman **Nunn**. That was June 6 of 1989?

General **Stiner**. 1989, yes, sir.

Chairman **Nunn**. Why did it not come to you for action?

General **Stiner**. Because the regulations indicate that based upon the kind of recommendations they made, that it should come or can come to the first general officer in the chain of command.

Chairman **Nunn**. Who was that?

General **Stiner**. That was my Chief of Staff, Maj. Gen. Bruce Moore, who is now in Korea.

Chairman **Nunn**. Had you talked to him about this case and told him he was going to be handling it?

General **Stiner**. No, I had not. I had not told him he was going to handle it.

The next man in the chain of command and the rater of some of the colonels involved was my Deputy Commander, Corps Commander, Maj. Gen. Will Roosma.

I was gone when the report came in. I was in the field on a field training exercise.

Chairman **Nunn**. When was that, General?

General **Stiner**. That was from about June 6 to 12, that week. However, General Moore and General Roosma did discuss the results of this and deliberated quite extensively as to what action to take.

Chairman **Nunn**. What action was taken as a result of that AR 15-6 investigation that you ordered?

General **Stiner**. Lieutenant Colonel Holcolm, the Battalion Commander, was given an administrative letter of reprimand that was placed in his local file. Then, the report was endorsed to Major General Sullivan, Commander, 1st Infantry Division, who owned the two others, with the recommendation that he take appropriate action.

Chairman **Nunn**. General Stiner, when did you learn of the actions by your subordinates on the report of that investigation?

General **Stiner**. It was sometime after the letter of reprimand had been given. I was briefed on it.

Chairman **Nunn**. A period of weeks? a month?

General **Stiner**. I would say weeks.

Chairman **Nunn**. Weeks. Who briefed you?

General **Stiner**. General Moore and General Roosma.

Chairman **Nunn**. Did you agree with their decisions?

General **Stiner**. Yes. I had no reason, at that particular time, to doubt their judgments or the recommendations made by Colonel Brett, nor to pull away from the chain of command that action.

Chairman **Nunn**. Did you all discuss whether the actions of the officers involved in this action against Private Griffin could have been in violation of the Uniform Code of Military Justice?

General **Stiner**. No. That was looked at in the investigation.

Chairman **Nunn**. They did not discuss that with you?

General **Stiner**. No, they did not.

Chairman NUNN. The IG report noted that this violated or could have violated the prohibition in the Uniform Code of Military Justice against, quote, "'cruelty and maltreatment." But you did not discuss that with General Moore. Did you read the report they made?

General STINER. Not at that particular time.

Chairman NUNN. Have you read it since?

General STINER. Yes.

Chairman NUNN. When did you read it?

General STINER. I re-read it in detail to include the CID report about 3 weeks ago.

Chairman NUNN. How did that CID report differ from the original report? In other words, is that a separate report completely?

General STINER. Yes, sir. The CID report is a criminal-type report that was initiated immediately upon report of the weapon being lost. It continued throughout that process and has since been reopened since a receiver group was found at a house in Fayetteville. All of this material has been forwarded to this committee.

Chairman NUNN. I understand the DOD IG recommended that the Secretary of the Army undertake a review of the disciplinary action taken against the four officers involved in the mistreatment of Private Griffin as well as the inappropriate discharge given to Private Griffin. That is what I understand they have recommended.

Can you tell us what has happened to the IG recommendations? Do you know what the Secretary of the Army has done with those?

General STINER. Yes. That case is now with the Under Secretary of the Army for decision. He is being appropriately advised by the staff of the Judge Advocate General of the Army.

Chairman NUNN. So the matter is still open, you believe?

General STINER. Yes, sir.

Chairman NUNN. In your opinion, General, without getting into all the details, was the treatment of Private Griffin during his interrogation consistent with the standards expected of persons that are interrogating members of the U.S. Army?

General STINER. No.

Chairman NUNN. You do not approve of those?

General STINER. No.

Chairman NUNN. That was done without your knowledge.

General STINER. Yes, sir.

Chairman NUNN. You had no knowledge of it before it happened?

General STINER. None whatsoever.

Chairman NUNN. If you had had knowledge of it, if anyone asked your permission, what would your reaction have been?

General STINER. Absolutely not.

Chairman NUNN. I believe, Senator Warner, you are next.

Senator WARNER. Thank you, Mr. Chairman. General, let us go back to JUST CAUSE and discuss the SEAL mission.

Some of the forces in Operation JUST CAUSE experienced very high casualties in the attack on Paitilla Airport. In that mission four Navy SEALs were killed and three were seriously injured.

Some articles in the press have reported this attack suffered from several serious planning mistakes that allegedly contributed to a large number of casualties. In particular, it has been reported that the SEALs' orders were changed at the last minute so that they were only able to disable, rather than destroy, General Noriega's plane at the airport.

Second, foreign intelligence is supposed to have failed to anticipate the strength of the Noriega forces at the airport.

Third, communications problems were reported to have prevented an AC-130 gun ship from providing fire support to the SEALs.

And, finally, the medical evacuation of the injured SEALs was supposed to have taken too long.

What was your recollection of that incident? To what extent does your recollection confirm or deny some of the allegations that I have stated here?

General STINER. This ought to be a subject more appropriately addressed during the closed session.

Senator WARNER. Is there anything you can tell us about it in open session? We do have the concern of the families of the victims.

General STINER. I can say it was an appropriate mission and that the SEALs did an absolutely outstanding job. What they did was very key because it was a very key target in preventing Noriega and several of his henchmen an access or means to get away.

Senator WARNER. General Stiner, on February 26 of this year you held a press conference in which you said, among other things, that the National Security Agency had intercepted a "burst broadcast" from Cuba on the night Operation JUST CAUSE was launched which was a tip off of the coming invasion. It has also been reported that at the same press conference you also suggested that you believed there had been other leaks about the operation.

Following that press conference, the Office of the Secretary of Defense took the unusual step of releasing a statement which either denied or made corrections to virtually all of the allegations you made during the press conference. First, is my account of this accurate? Do you now believe that your allegations about leaks concerning Operation JUST CAUSE were accurate?

General STINER. First of all, the first mistake that I made was in agreeing to appear at that press conference.

Chairman NUNN. General, you join a lot of other people in that respect. (Laughter.)

General STINER. Second, what I said was that I had heard that there were three reports of possible compromise. But I did not have information to substantiate any. There was certain literary license or freedom taken with what I said.

I have since gone back and checked all interrogation reports and you should never repeat what you have heard. I have checked all interrogation reports. I have sent officers back to Panama to interview people who were captured, PDF officers and so on and so forth. After having done all this—I have not interviewed Lt. Col. Del Sid who is in jail in Miami.

After having done all this, I am convinced there was probably not a strategic compromise of the operation. But, several commanders did take action. I do not know whether it was based upon their anticipation——

Senator WARNER. These are Panamanian commanders?

General **Stiner**. Yes, sir. It could have been just good military anticipation and planning. It could have been because of what had resulted after the shooting of Lieutenant Paz, i.e., a higher state of readiness. It could have been in reaction by some to the speculation over the 10 p.m. media report.

But what Maj. Gen. Wayne Downing and I were seeing in the way of activities by PDF units is what caused us to believe that they had some indication that we were coming. They probably knew when because some units were being called in. They were being issued weapons. They were getting prepared to fight.

So it was for those reasons that we tried to advance H hour as much as we could to gain as much surprise as we possibly could. When we considered how long it would take to swing the Swing Bridge across the Canal, about 45 minutes, so we could move our mechanized battalion and those four Sheridan tanks across, all that we could actually advance it by was 15 minutes.

Senator **Warner**. Well, General, you know what concerns me is: do you now believe it was appropriate for a senior uniformed commander to attempt to resolve this type of problem in front of a press conference? That is what concerns me.

General **Stiner**. No. We all learn from our mistakes.

Senator **Warner**. I think you have covered, in your testimony just now, the nature of the evidence on which you base these allegations and the extent to which you investigated these allegations before you made them to the press. You had very limited opportunity to get any corroboration.

General **Stiner**. Yes, sir.

Senator **Warner**. I think, Mr. Chairman, I will wait further interrogation for the closed session.

Chairman **Nunn**. Senator Exon?

Senator **Exon**. Mr. Chairman, thank you very much. General, let me follow up a little bit more in detail on the line of questioning that the Chairman was asking you about with regard to this private. To your knowledge, has there been a determination made by the military, other than the reprimand to the three officers, which would indicate to me that at least it was felt that they took inappropriate action? Has there been any kind of a finding, official or otherwise, that this private, indeed, was not guilty of what he was accused of?

General **Stiner**. No, sir. It would be inappropriate for me to go into that.

Senator **Exon**. I understand that. That takes care of it. Let me ask you another question. Then it follows that there has been no apology issued to the private involved.

General **Stiner**. No, sir.

Senator **Exon**. Is it also true that these reprimands that become part of the file of the officers in question, that that reprimand will be lifted from their file when they go back to their originating unit?

General **Stiner**. When they are reassigned, yes, sir.

Senator **Exon**. In other words, when they are reassigned, this reprimand will disappear from their file?

General **Stiner**. That is correct unless they do something that would cause the man that put it in there to say it is going to become permanent, it will not stay in your temporary file, it will go in your permanent file.

Senator EXON. After the action was taken to put the reprimand in their file, at least temporarily, I do not know how else to explain it except by that, were any or were some of these three officers given some kind of a salutation for a job well done?

General STINER. I have not seen the efficiency reports of any of them. But the regulation on efficiency reports say that the report will cover the performance during the entire period and will not reflect only one isolated incident.

Senator EXON. Can you answer this question? Do you support the Inspector General's recommendation that this whole case should be opened up for further official consideration?

General STINER. I should not comment on that. I would like to say, though, that it is very unfortunate that this incident occurred. It is also unfortunate that the 60 Minutes program did not cover the incident completely or objectively.

The loss of a weapon is a very serious offense punishable by bad conduct discharge and 1 year in prison. The chain of command acted responsibly and was within its authority in dealing with the situation as it did. As I indicated, the case is now with the Under Secretary of the Army and I should not comment on it. But you all have been provided the whole thing with all the details that I should not bring out.

Senator EXON. General, I must say you sound very defensive on this whole proposition which we have come to expect from the military. As one member of this panel who was an enlisted man, I resent it. I think it smacks of some of the concerns that many of us have with regard to people getting out of line and never being properly punished. Maybe I am jumping the gun but that is the only conclusion that I can draw from this.

Can you tell me at this time what were the events that 60 Minutes did not cover?

General STINER. Sir, I would be——

Senator EXON. I have seen 60 Minutes oftentimes and I think that maybe your criticism of them is valid. When they start on a story they often take one point of view only. That is why this series of questions you have been asked here is to try to bring out if there is another side of the story.

Can you tell us today what the critical parts of the scenario are that 60 Minutes did not cover?

General STINER. I would be glad to in closed session.

Senator EXON. That is fair enough. One more question on another subject, General. How are the Special Operations Command counternarcotics efforts coordinated with other federal agencies, both military and non-military so as to ensure optimum effectiveness? Do you think that we have a proper course of action and a coordinated action in place for these kinds of activities?

General STINER. Sir, I think so. USSOCOM has been dealing directly with the CINCs in support of their plans and with the other agency heads of government in supporting their operations. Support, to this point, has been mainly through training and assistance-type operations.

If I am confirmed, I plan to get with them to make certain that we are doing everything we can.

Senator EXON. Thank you, General. My time is up. Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator Exon. Senator Cohen?

Senator COHEN. Thank you, Mr. Chairman. General Stiner, I understand you came this afternoon to praise the macro-management of the Senate Armed Services Committee, is that correct or have I been ill-informed, in creating the Special Forces Command.

General STINER. Yes, sir.

Senator COHEN. There has been a lot of praise being heaped upon that particular act now. It was not so widely praised at the time it surfaced in this committee. In fact, it received active opposition from the Pentagon. Sometimes I think it is important that we recognize that intervention or macro-management by the Congress or the Senate is advisable.

I am told that there is some consideration to SOUTHCOM being moved to McDill. Is that your understanding?

General STINER. It is my understanding that that was a consideration. But I do not think it is active right now.

Senator COHEN. If SOUTHCOM were to move to McDill, where would you recommend moving SOCOM?

General STINER. My personal recommendation would be to move it to Fort Bragg.

Senator COHEN. Fort Bragg?

General STINER. Yes, sir.

Senator COHEN. Are you aware that back when this entire issue was first being debated, the Special Operations Policy Advisory Group, SOPAG, was critical that the command itself was being located so far away from Washington that this would have an impact upon budgetary considerations and would have an impact upon lack of access to the Chairman of the Joint Chiefs on critical missions?

General STINER. Yes, sir.

Senator COHEN. So you think moving it to Fort Bragg would make a significant improvement in that regard?

General STINER. I think it would, plus, that is where the preponderance of the forces are.

Senator COHEN. The Special Acquisition Office for Special Forces Command, how is that working?

General STINER. That is still working. General Lindsay was trying to establish it here in Washington. That is still an active action. Also, there is an issue of additional spaces to go with it.

Senator COHEN. Do you think it is still desirable for us to support, or for you to support, actually, the Special Acquisition Office in view of the kind of equipment you could buy off-the-shelf without going through the necessary procurement regulations that might take 3 or 4 or 5 years?

General STINER. Yes, sir.

Senator COHEN. You intend to continue to pursue that actively?

General STINER. Yes, sir.

Senator COHEN. That is all I have, Mr. Chairman.

Chairman NUNN. Thank you, Senator Cohen. Senator Cohen, Senator Warner raised the area that I talked to you and Senator

Boren about. We probably will pursue that further in closed session.

General, a couple more questions. What are your most important three or four budget priorities for special operation forces over the next 5 years?

General STINER. The number one priority of mine is the same as that stated by General Lindsay. That is a long-range, exfiltration capability for reconnaissance teams; to be able to put them in at a distance of 1,000 miles and get them out.

Second is a downsize radio system that has no signature or at least a signature that is so insignificant that it cannot be detected so these forces will not be compromised.

Those are my two top priorities.

Chairman NUNN. Any others come to mind?

General STINER. Everything else that is in that program is a priority. But I think most of them are on track, particularly the aircraft, thanks to you all.

Chairman NUNN. Have you taken a look at the V-22 from the point of view of its use with special operations forces or has General Lindsay taken a look at that? Do you have an opinion on it?

General STINER. Yes, sir. General Lindsay took quite a look at it. When the program was canceled, he initiated those studies with the Air Force Systems Command to find alternative type aircraft that might be in being that could be used and advanced technology that could be applied. He is currently working on a statement of need that will be submitted. In the meantime we are looking at trying to extend the ranges of our current helicopters to meet that need.

We are also working on a project called 46, a Combat Talon aircraft with a variation of the Fulton Rig. It is now capable of picking up two men; it can pick up from four to six, but this is a mighty hairy operation. It exposes the airplane and the people in several different ways.

Chairman NUNN. How fast are they flying when they do that pick up?

General STINER. Probably about 150 miles an hour.

Chairman NUNN. Have they tested that one yet?

General STINER. Yes, sir. We have done it live a few times. You usually do not get a volunteer, but once. (Laughter.)

Chairman NUNN. Have you actually had it tested with people?

General STINER. Yes, we were doing this pretty much routinely in training, killed a couple of people and suspended the actual test that we were doing.

Chairman NUNN. How does it work? Could you tell us how that works?

General STINER. The Combat Talon, and we used to have this on the Caribous, too, when they belonged to the Army, has a set of arms on the front that can be extended. The team on the ground gets in a special harness and runs up a balloon, a little plastic dirigible that is attached to the end of a nylon rope that goes up in the air about 250 feet.

The C-130 comes along, sees this dirigible and flies into it. The fork straddles the rope and it cuts the balloon off and the rope wraps around a pulley. The rope comes up—the tailgate of the airplane is down, and it hits it with such force, that as the man comes up, the rope is parallel to the belly of the plane, they reach out and hook it—the crew chief does.

Then he hooks it to a winch at the top of the airplane and as the person falls back down and begins to trail behind the airplane as it is flying along, they winch him inside.

This takes 3 to 5 minutes.

Chairman NUNN. You have done that successfully several times, a good many times?

General STINER. Yes.

Chairman NUNN. But it is a very high-risk situation?

General STINER. Yes, it is. Yes, sir.

Chairman NUNN. Let me ask if there are any other open session questions.

I guess the one major question I would ask, I do not know if you have covered it yet or not, was whether you see any special requirements for the special operations forces in the new drug activities of the Department of Defense? Whether you have been assigned, whether you know of any assignments, and what you believe the appropriate role is, what you can do and where you think you should draw the line?

General STINER. I think there is quite a bit that we are assisting with. I think there is a lot that we can do in the way of training and perhaps in the area of intelligence. There is an indication that our role will increase. I intend to get with the CINCs and the agency heads to see what we can do in that regard.

Chairman NUNN. Do you think the training end of it may be the number one?

General STINER. Yes, sir, I do.

Chairman NUNN. What is your assessment, General, of the current effectiveness of the security assistance program? Do you believe that that program is applicable to a number of regions where there could be low intensity conflicts, or have you gotten into that?

General STINER. I am no real expert on the Security Assistance Program. I, by no means, intend to tell anybody how to revamp it, but I think that Security Assistance can play a major role in potential areas of low intensity conflict and in areas where we are most likely to have to commit troops in one capacity or another to protect our interests in the foreseeable future.

I think there are a lot of things that could be done there on a non-reimbursable basis to support our training and nation-building activities that would benefit us in the future and that would go a long way toward meeting U.S. national objectives. I think there needs to be a close look taken at our Security Assistance Program with those views in mind.

Chairman NUNN. Thank you. Any other open session questions? Senator Cohen? Senator Exon? If not, I will thank the public for being here and I will ask all people who are not cleared for this closed session to please depart.

[Whereupon, at 3:42 p.m., the committee recessed, to reconvene in executive session at Top Secret/Codeword Special Access Required level.]

[Prepared questions submitted to Lt. Gen. Carl W. Stiner by Senator Nunn prior to the hearing with answers supplied follow:]

1. GOLDWATER-NICHOLS AND SPECIAL OPERATIONS LAWS

The Senate Armed Services Committee has a deep and continuing interest in the complete and effective implementation of the Goldwater-Nichols Department of Defense Reorganization Act and the Special Operations and Low Intensity Conflict laws passed by the Congress.

Question. How would you describe the basic philosophy of these laws with respect to the operational command of the Armed Forces, particularly Special Operations Forces?

Answer. The basic philosophy of the Goldwater-Nichols DOD Reorganization Act was that the commanders of the Unified Combatant Commands were responsible for accomplishing the missions assigned to those commands and they should have authority fully commensurate with that responsibility. Consequently, the act clarified the operational chains of command and described in detail the authorities of the combatant commanders.

With respect to Special Operations Forces (SOF), the laws provided that the Commander in Chief, United States Special Operations Command (USCINCSOC), shall be responsible for preparing Special Operations Forces to carry out assigned missions. During their day-to-day training and operations, these forces are under the command of USCINCSOC. However, unless otherwise directed by the President or Secretary of Defense, their actual missions shall be conducted under the command of Commander of the Unified Command within those geographic areas the operations are to occur.

Question. Are you fully committed to the complete and effective implementation of these laws?

Answer. I am fully committed to the complete and effective implementation of these laws.

2. IMPLEMENTATION OF SPECIAL OPERATIONS REFORM

The Defense Authorization Act for Fiscal Year 1987 and subsequent defense authorization acts directed the President to establish a unified combatant command for Special Operations Forces and specified the authority and responsibilities of its commander.

Question. What is your assessment of the extent to which the laws governing this new unified command have been implemented?

Answer. All of these laws have been implemented or are in the process of being implemented. This type of major overhaul of a long-established system is not easy, but I think that all of the players are proceeding in good faith.

Question. Which areas of implementation still require further attention and work?

Answer. Not all DOD/JCS directives have been updated to reflect the changes mandated by Title 10, sections 164 and 167 (i.e., organizing, training, and equipping responsibilities). The following areas require continued attention:

— Establishment of the Washington Acquisition Center for the command will require additional billets to enable the command to fulfill its acquisition responsibilities.

— Assignment of major command status to 23rd AF, less the 1550th Training Wing (TW) in the interim, will round out USSOCOM service component staffs. The 1550th TW retains some training management responsibilities for MAC. We will review this new arrangement after the first year of operation.

— A few CAAs/MOAs with unified commands and the services remain to be finalized. Progress has been good and, when completed, these agreements will reflect best possible relationships without creating a fifth service or significantly duplicating the present functions and organizations of the services.

Question. How do you assess the current plans for the U.S. Special Operations Command in the Planning, Programming, and Budgeting System?

Answer. USSOCOM's Planning, Programming and Budgeting System (PPBS) is developing rapidly. The system is providing outputs on schedule and is accommodating the rapid changes occurring in the world military situation.

Planning: USSOCOM's Planning is centered on the needs of the five Theaters. Theater needs feed into the program and budget phase through CINC Integrated Priority Lists (IPLs) and the USSOCOM Joint Mission Analysis (JMA). The JMA will determine SO force capabilities and deficiencies and identify limiting factors. It will also present and assess alternative courses of action to address shortfalls in force structure, doctrine, training, and materiel.

Programming: CINCSOC's first program has just been completed. The Fiscal Year 1992-97 Program Objectives Memorandum was submitted on April 2, 1990 and met all of OSD's technical requirements. Procedures were developed that successfully integrated Army/Navy/Air Force SO forces and equipment programs. Several programs were consolidated to ensure joint applicability.

Budgeting: USSOCOM produced and submitted the MFP-11 portion of the Fiscal Year 1991 President's budget. The Fiscal Year 1992-93 MFP-11 Budget is being formulated from the Fiscal Year 1992-97 POM. The USSOCOM Comptroller is prepared to execute MFP-11 funds beginning in fiscal year 1991.

Question. What should be the nature of the relationship between the U.S. Special Operations Command and the Office of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict?

Answer. The principal duty of the ASD SO/LIC is the overall supervision, including policy and resource oversight, of Special Operations and Low Intensity Conflict activities of the DOD. The ASD is the principal civilian advisor to the SECDEF on SO and LIC matters and (after the Secretary and Deputy Secretary) is the principal SO and LIC official within the senior management of the DOD. Formal communications or taskings for USSOCOM by ASD SO/LIC flow through the Offices of the Secretary of Defense and Chairman of the Joint Chiefs of Staff to USCINCSOC. The Joint Staff should continue to serve as the military staff to SECDEF for operational matters. Informal discussions between the staffs of USSOCOM and ASD SO/LIC concerning operational issues are conducted on an informational basis. On matters of mutual responsibility such as policy and resources, there is a close cooperative relationship, specifically in the area of PPBS and the POM build process.

Question. What should be the nature of the relationship between the U.S. Special Operations Command and the Joint Staff?

Answer. The relationship between the U.S. Special Operations Command and the Joint Staff should be the same as the relationship between any unified command and the Joint Staff. The Joint Staff, in addition to assisting the Chairman, serves as a source of information, advice and assistance to the unified commands. Finally the Joint Staff, while not in the chain of command, serves to transmit the directions of the National Command Authority and assists in providing clarification and implementing instructions thereto. The Joint Staff should also represent the interests of the unified commanders within the Department of Defense and intergovernmental agency coordination process.

Question. What should be the nature of the relationship between the U.S. Special Operations Command and the other unified combatant commands?

Answer. As a supporting CINC, USCINCSOC is responsible for preparing and providing combat ready forces and SO-peculiar equipment to the combatant commanders. Additionally, USCINCSOC has responsibilities extending to SO forces assigned to other CINCs [illegible] include:

— Developing stra[illegible] doctrine, and tactics.

— Validating and establishing priorities for requirements.

— Monitoring the promotions, assignments, retention, training, and professional military education of Special Operations Forces officers.

— Monitoring the preparedness to carry out assigned missions of Special Operations Forces assigned to unified combatant commands other than the Special Operations Command.

— Developing and acquiring special operations-peculiar equipment.

— Acquiring materiel, supplies, and services peculiar to special operations activities.

3. EFFECT OF GOLDWATER-NICHOLS ACT ON OPERATION JUST CAUSE

Earlier this year, Secretary Cheney testified to the Armed Services Committee that ". . . I think one of the reasons the operation (JUST CAUSE) was so successful was, in part, because of the procedures and practices that are now in place as a result of the (Goldwater-Nichols) Act." You served as the Commander of the joint task force that carried out Operation JUST CAUSE in Panama.

Question. Do you agree with Secretary Cheney's statement and would you describe the effect of the Goldwater-Nichols Act on Operation JUST CAUSE?

Answer. Absolutely—I fully concur with Secretary Cheney's statement. I would go further by adding that the laws relating to Special Operations Forces also played an important role. The law clearly assigns responsibility for preparing forces, conducting operations, and providing administration and support. The forces which participated in JUST CAUSE were thoroughly prepared for their missions. Throughout the entire operation, the chains of command were clear. Commanders knew who they worked for and their missions. There were no problems with ambiguous relationships or units receiving guidance from multiple sources. These were direct results of the Reorganization Act and Special Operations legislation.

4. TITLE IV OF GOLDWATER-NICHOLS ACT

Title IV of the Goldwater-Nichols Act dealing with joint officer management, has been the most amended part of the act. This committee has sought to be responsible through legislative amendments to provide flexibility so that the purposes of Title IV could be met.

Question. What is your understanding of the purpose and intent of Title IV?

Answer. The basic purpose of Title IV was to improve the ability of the Armed Forces to plan and conduct joint operations. Title IV was intended to provide for this by enhancing the quality of officers detailed to joint assignments, improving the quality of joint military education, protecting the career development and progression of officers receiving joint assignments and ensuring that officers have joint duty experience before joining the ranks of senior leadership.

Question. What are your personal views on Title IV, as amended?

Answer. In my view, the legislation is serving its purpose. I have been informed that high-quality officers are actively seeking joint assignments and that the services are supporting the legislation in their assignments and other personnel policies.

Question. Are you fully committed to ensuring that the spirit and letter of Title IV are met?

Answer. I am fully committed to ensuring that the spirit and letter of the law are met.

5. SPECIAL OPERATIONS FORCES IN LOW INTENSITY CONFLICT

Question. What is the role of Special Operations Forces in the U.S. response to low intensity conflicts?

Answer. As U.S. National Security Strategy has continued to evolve, the term Low Intensity Conflict (LIC) has conceptually come to represent all political-military confrontations between contending states or groups at a level below conventional war but above routine peaceful competition.

A major task for SOF in such low intensity conflicts is participation in U.S. Government Foreign Internal Defense (FID) programs with the principal role of advising, training, and otherwise assisting host nation forces. Such activities are normally focused on counterinsurgency and include nation-building tasks. Advice, training, and assistance may also be focused on combating terrorism and countering narcotics trafficking. Similar activities to facilitate national and regional external security may also be conducted. These activities frequently require SOF to be sufficiently flexible and politically adroit to meet the non-military objectives of many of these programs. The focus is on an environment in which political rather than military considerations are predominant.

Certain SOF are well suited to participate in such military advisory and assistance activities by virtue of their unconventional warfare skills, area orientation, cultural awareness and mastery of languages. Special Operations Forces are particularly capable and experienced in training indigenous forces in many of the small unit tactical skills applicable to insurgency and counterinsurgency.

Low intensity conflicts may also occasionally require the direct employment of U.S. military force, including SOF. These employments may include presence, show of force, demonstrations, evacuation of noncombatants, counterterrorism, counternarcotics operations, other tasks broadly termed peacetime contingency operations, and the conduct of counterinsurgency operations by U.S. combat forces. All may require, singly or in some combination, the conduct of unconventional warfare, direct action, or special reconnaissance, either independently or in conjunction with conventional forces.

In addition to supporting friendly and allied governments, the U.S. Government may also choose to support insurgencies or armed resistance movements against either hostile regimes or occupying powers. The military aspect of such missions is classic unconventional warfare for which certain SOF are specifically trained, organized, and equipped. When directed by appropriate authority SOF may support these activities either directly or indirectly through other government agencies.

Question. What is the role of Special Operations Forces in foreign internal defense and nation-building?

Answer. The primary role of Special Operations Forces (SOF) in the U.S. Government interagency activity of Foreign Internal Defense is to train, advise, and otherwise assist host nation military and paramilitary forces.

Foreign Internal Defense operations support a friendly government facing a threat to its internal stability and security. The purpose of the operations is to protect internal development of the economic, social, political, and military segments of the nation's structure. These activities normally are of long duration and require patient adherence to and support of national policy. Special Operations Forces most probably will live directly among the people they are supporting. This relationship mandates that SOF display the highest respect and affinity for that population and take no action to further jeopardize noncombatants, even if that should require a higher risk to themselves. Foreign Internal Defense operations that assist allied and friendly governments contribute to U.S. interests and objectives by:

(1) Enhancing U.S. influence in the host nation and region.

(2) Stabilizing the region.

(3) Maintaining U.S. access to foreign resources and markets.

(4) Improving overall international cooperation.

(5) Reducing the need of the United States to respond directly to Third World security requirements.

(6) Improving military-to-military relationships and interoperability of forces and enhancing coalition warfighting capabilities.

Foreign Internal Defense is not exclusively a SO mission. Rather, it is a joint and interagency activity in which SOF participate. Special operations FID requirements may be unilateral in the absence of any other U.S. military effort, may support other ongoing military or civilian assistance efforts, or may support the employment of conventional military forces. Foreign Internal Defense may require that SOF execute the following types of activities:

(1) Advisory and assistance activities that develop and support the host nation military, paramilitary, and internal security organizations.

(2) Intelligence activities that support other FID programs.

(3) Civil-military operations that isolate the insurgent and exploit his vulnerabilities, to include his inability to satisfy the essential needs of the indigenous population. These operations deal with the relationships between:

(a) The host nation government and its population.

(b) Armed Forces of the United States and their host nation counterparts.

(c) Armed Forces of the United States and the indigenous population.

(d) Other U.S. agencies and the host nation military.

(4) Tactical operations that focus on neutralizing and destroying the insurgent threat.

6. INTELLIGENCE SUPPORT FOR MILITARY MISSIONS

In recent years, considerable attention has been focused on intelligence support for military missions, particularly in Grenada and Panama. You have substantial experience in this area from your current and previous assignments.

Question. What do you see as the problems and what solutions do you recommend?

Answer. Intelligence is central to the execution of all SOF missions and functions; requirements are characterized by the necessity for precise focus and extraordinary detail, accuracy, and timeliness. Combat echelons need rapid access to the near-real-time (NRT) products of national and theater systems to choose optimum courses of action for unique, dangerous, and politically sensitive SOF missions.

The solution requires two major actions: a fundamental reorientation in the intelligence community toward SO/LIC requirements; and, the acquisition and fielding of SOF intelligence capabilities to correct longstanding deficiencies.

Current intelligence collection, production and mapping priorities are East-West oriented. We need to modify these priorities, and ensure that Third World coverage is preserved and augmented during the restructuring of the intelligence community which will accompany impending budget cuts. Failure to do this will ensure a continuation of "ad hoc" solutions which inevitably fail to meet critical operational needs.

Since its activation, USSOCOM has identified to the intelligence community that SOF will require: higher priority for SOF Third World collection/production requirements; reorientation of intelligence production to satisfy the warning, planning and operational requirements; enhanced Third World HUMINT coverage; and ready access to the products of national NRT intelligence systems.

The cornerstone in identifying these long-standing deficiencies has been the joint development, with the theater CINCs and USSOCOM components, of a worldwide

SOF intelligence architecture. The architecture has three main thrusts. First, we must develop the mechanisms required to ensure deploying SOF units access to the fruits of national and theater collection/production systems. Second, we need to upgrade the organic collection capabilities of SOF units to enhance unit self protection and special reconnaissance. Finally, we must ensure that they have deployable intelligence automation to enable them to rapidly sort, manipulate and display specific intelligence which is critical to mission planning, rehearsal and execution.

Question. How can we ensure that U.S. intelligence efforts are properly balanced between national strategic needs and the operational needs of U.S. military forces, such as threats, targets, geography, and accurate maps?

Answer. The first step is to determine the environments in which our forces need to be employed and the conditions under which those employments are likely to occur. The second step is to do a spread sheet on how we are currently employing our intelligence resources. Finally, we need to make whatever realignments this analysis indicates as required.

I think that such an analysis will reveal that there are underdeveloped areas of the world which have the potential for LIC problems, but for which we need a lot more intelligence of all types. For example, we may need to enhance our ability to develop specific types of intelligence in areas such as international terrorism and narcotics trafficking. Moreover, SOF are particularly dependent upon accurate mapping, charting and geodesy products. Current priorities are still focused upon the East-West problem. If planned for cuts to Defense Mapping Agency occur, serious shortfalls will continue to hamper SOF operations.

In addition to reviewing our traditional intelligence collection efforts, it may be appropriate to reevaluate our security assistance and military training and exercise programs to determine their capabilities for increasing our presence and influence in many parts of the world. For example, a shift from high tech, high dollar value military sales to low cost, nonreimbursable training and nation building activities would enable us to greatly increase our access to some regions and provide us significant opportunities to build our data bases.

7. SPECIAL OPERATIONS INTELLIGENCE MISSIONS

Several articles in the press have reported that the U.S. Special Operations Command is seeking to expedite or relax the procedures that are followed within the executive branch to review and approve intelligence missions by Special Operations Forces or in support of Special Operations Forces.

Question. Do you believe that these review procedures should be expedited or relaxed for intelligence missions by Special Operations Forces or in support of Special Operations Forces? If you do, how would you define the missions that would be covered by the expedited or relaxed procedures?

Answer. Classified answer provided under separate cover.

Question. Did the requirement to satisfy these review procedures cause any serious problems in Operation JUST CAUSE in Panama?

Answer. Because of the time needed to conduct interagency coordination for some aspects of JUST CAUSE, some planned actions did not take place. A more detailed response can be provided in closed session.

Question. Are you fully committed to supporting all the laws, regulations, and rules that apply to the military role in the intelligence area.

Answer. Of course. Keep in mind, however, my earlier distinction between the military role in the intelligence area and the military role in the special operations area. There are those who, out of misunderstanding, try to lump special operations and intelligence operations together and then rationalize that both should be reviewed and approved using the intelligence process (DCID 5/1). Special operations are different and must continue to be planned and approved under the laws, directives, procedures applicable to the National Command Authority for the conduct of military operations if we are to be responsive in meeting the operational intelligence needs for successful crisis/contingency operations.

8. SPECIAL OPERATIONS MODERNIZATION PRIORITIES

On February 8, 1990, Gen. James J. Lindsay, the Commander in Chief of U.S. Special Operations Command, testified to the Armed Services Committee that his highest modernization priority is "for a long range aircraft designed to carry SOF troops into and out of unfriendly territory." His "second priority is development of more effective man-portable radios."

Question. Do you agree with General Lindsay's modernization priorities?

Answer. Yes, I agree wholeheartedly. As you are aware, SOF was a latecomer and low priority player in the robust DOD modernization efforts of the eighties. This makes it difficult to clearly prioritize so many urgent requirements for modernization. However, the requirement for long range infiltration and exfiltration is particularly compelling. On some of the tougher missions, we cannot let our teams into the required geographical areas. In others, we can get them in, but have no way of getting them out. Likewise, Low probability of Detection radios for our teams on the ground are crucial to survival and mission accomplishment. Unlike conventional forces, whose primary concern is enemy jamming and interception, our forces must concern themselves with not being detected at all. If they are detected, the mission will probably fail, and our personnel and equipment may be lost.

Following closely behind infiltration and exfiltration platforms and low probability of detection communications are our other modernization priorities. In order, they are intelligence systems, mission planning and rehearsal systems, weapons systems, and systems for psychological operations and civil affairs.

I intend to judiciously and rationally improve our capabilities across the board, meeting the most urgent needs first, but not allowing any one modernization priority to completely dominate our efforts. The USSOCOM Joint Mission Analysis will further focus our prioritizations as it is completed in late fiscal year 1991, but I anticipate that the top modernization efforts will change very little.

Question. Does the special operations budget request for fiscal year 1991 contain sufficient funds to begin to satisfy these two priorities in an acceptable period of time?

Answer. With respect to the long range aircraft, the Air Force has conducted a series of studies to assist USSOCOM in evaluating potential options. As anticipated, the studies confirm the fact that long range SOF mission requirements present tough technological challenges, and solutions will be neither quick nor inexpensive. Sufficient funding is available in 1991 to continue these studies. However, there is no funded program to meet the long-range infiltration/exfiltration requirements.

As to radio systems, our primary program, the Joint Advanced Special Operations Radio System, (JASORS) is fully funded through fiscal year 1997. The RDT&E funding appears adequate to support the development required for the program. Fiscal year 1991 funding is in line with USSOCOM's request and maintains an essentially level funded RDT&E effort. Additional funding at this point would not accelerate the program. We are also fielding new man-portable radios through Non Developmental Item procurements where there is a shortfall of funds. Additional funding for these NDI efforts could be well utilized by USSOCOM.

9. GOLDWATER-NICHOLS REQUIREMENTS FOR COMBATANT COMMANDERS

Section 164(a) of title 10, United States Code, specifies that the President may assign an officer to serve as the commander of a unified or specified combatant command only if the officer has the joint specialty and has completed a full term of duty in a joint duty assignment as a general or flag officer. Section 164(a) and section 214(b) of the Goldwater-Nichols Act authorizes the President to waive these requirements.

Question. Does your nomination satisfy the requirements of section 164(a)?

Answer. My nomination satisfies these requirements.

Question. If the President waived these requirements for your nomination, under what legal authority did he exercise this waiver?

Answer. No waiver was required.

10. LESSONS LEARNED FROM OPERATION JUST CAUSE

In its March 12, 1990 edition, Army Times published an interview with you in which you said the following: "Everybody is asking about lessons learned in this Operation (JUST CAUSE). I don't think that I or my commanders or our Armed Forces learned a single lesson. But we did validate a lot of things."

Question. Does this comment mean that you did not learn anything new from Operation JUST CAUSE that could be applied to future military operations?

Answer. The answer to this specific question is "yes," however, clarification is required to remain within the context of my original statement. I would like to point out that Operation JUST CAUSE, despite some recent adverse publicity, was a resounding, unqualified success. The way I prefer to consider the "lessons" of this operation is as "lessons reinforced" or Principles of War reapplied; in other words, lessons of the past that we improved upon or retained, and by their continued successful employment, should be retained and passed on to future commanders. I'll provide the example of Operation URGENT FURY (Grenada) and the unity of command issues that resulted. Unlike that operation, General Thurman, in planning for Operation JUST CAUSE, had the foresight to designate a single, overall combat commander, and selected that commander from a warfighting headquarters, the XVIII Airborne Corps. This provided both insight into and integration of all subordinate plans with specific mission tasking based upon force capability. Additionally, command layering was minimized through establishment of an efficient, unambiguous chain of command. This permitted the maximum battlefield flexibility while retaining an overall unified, coordinated effort. Other reinforced lessons exist from Operation JUST CAUSE, including the appropriate employment of Special Operations Forces, the absolute criticality of intelligence, and the necessity for operational security considerations, all of which will hopefully be applied to future operations. Operation JUST CAUSE validated that the focus of our joint readiness training was right—at all levels of command, and particularly at the squad and platoon level.

Question. What did you validate in terms of organizational and equipment needs?

Answer. Operation JUST CAUSE provided the field test for several of our ongoing programs and validated a number of programs in various stages of development. First, the MH-53J Improved Pave Low Helicopter and the Special Operations Force Improvement (SOF-I) version of the MC-130E proved their value by increased navigational accuracy and maintenance reliability. Likewise, improvements to the MH-47, particularly the addition of aerial refueling probes, provided the Joint Special Operations Task Force Commander the flexibility and endurance for the reactive chase operations required to pursue Noriega and his cronies. The AC-130 Gunship performed superbly, validating both its extensive modification/improvement program and the planned procurement of 10 additional aircraft in the AC-130U program. Additional efforts to fix permanent satellite antennas in aircraft that currently use the hatch-mount antenna and to install an air-refueling capability in the HC-130 will be given increased priority. For the ground forces, lighter weight field radios are an important developmental effort to continue as we seek to improve the low probability of intercept/low probability of detection features. Force sustainment is an area where Special Operations Forces (SOF) have historically relied upon others for their support. The Operation JUST CAUSE plan called for SOF to be withdrawn within several days after D-day. However, their unique capabilities became critical to the follow-on stability operations in the outlying regions and the sustainment of this force became an issue. We confirmed that at least some internal sustainment capability in this area is required and we are pursuing this with the appropriate organizations. Last, the Psychological Operations and Civil Affairs efforts associated with JUST CAUSE and the subsequent Promote Liberty, or nation-building operations confirmed some shortfalls that had been previously identified. We rely heavily upon our Reserve forces for the critical skills and units incorporated in our Psychological Operations and Civil Affairs forces. With the likelihood of another situation such as we had in Panama and the criticality of the mission these forces perform both during combat and in the post-hostility reconstruction period, consideration must be given to improving the active force structure. As a minimum, we must insure that the mobilization process of these forces is adequate to satisfy the regional needs while protecting the rights of those who volunteer.

In our conventional units, we validated that the M551 Sheridan tank was an essential asset to contingency forces. It is air droppable and proved invaluable for fighting in the city. The Sheridan is not supportable beyond 1995-1998, and efforts are underway by Department of Army to replace it with a suitable system.

We also validated that a Light Multi-Purpose Armed Helicopter is needed to replace the OH-58C and AH-1S Cobra in the Air Cavalry Squadron of the 82d Airborne Division. This would permit Army Aviation to be brought in quickly to fight as an integral element of the Combined Arms Team during forced entry operations. This program is pending approval of the required reprogramming action by the House Appropriations Committee.

11. SPECIAL OPERATIONS FORCES IN OPERATION JUST CAUSE

Question. What is your assessment of the effectiveness of the Special Operations Forces that participated on Operation JUST CAUSE?

Answer. The performance of our Special Operations Forces in Operation JUST CAUSE was absolutely critical to mission success and they responded superbly. Tasked with the initial surgical strikes against critical targets, their missions were executed precisely on time, on target. The Ranger force rapidly secured their objective airfields and had the runways operational well within prescribed time constraints. U.S. Navy SEALs simultaneously disabled a PDF patrol boat, isolated Flamenco Island, and denied Noriega an escape route through Paitilla Airport. Special

Forces teams performed reconnaissance missions at key PDF garrisons and disabled the Channel 2 TV tower, depriving the PDF of a command and control tool and enabling our Volant Solo aircraft to use the frequency to broadcast to the Panamanian populace. Over 170 special operations and supporting aircraft were actively operating under the Joint Special Operations Task Force at H-Hour and all launches, refuelings, and missions performed were unqualified successes. Complementing almost all task forces were psychological operations forces and civil affairs personnel. The valuable capabilities of these unique forces saved many lives—both American and Panamanian—and contributed to the rapid termination of a very complex operation. The overall effort ensured total mission success and obtained freedom for the Panamanian people. This Nation's Special Operations, Psychological Operations, and Civil Affairs forces proved that they are a viable fighting force capable of meeting the challenges of future complex military operations.

Question. Do you think that the establishment of the U.S. Special Operations Command 3 years ago made the Special Operations Forces more effective in Operation JUST CAUSE than they would have been in the absence of the command?

Answer. Absolutely. The positive impact of the U.S. Special Operations Command (USSOCOM) was felt from the initial plan development and followed throughout the concept evolution and ultimate plan execution. In the early plan development, USSOCOM was instrumental in defining the command and control objectives and force structure of the Joint Special Operations Task Force (JSOTF). A key contribution was to insure that its forces were appropriately integrated into the operational concept and utilized for the roles and missions they were trained to perform. As the plan matured and grew in complexity, it was the USSOCOM Commander and staff who insisted upon and hosted a senior level plan review that ultimately led to plan improvements and the decision to rehearse the complete JSOTF mission. As you are aware, this rehearsal was coincidentally but fortuitously planned for early December 1989, just days prior to the incidents that triggered Operation JUST CAUSE. Moreover, the USSOCOM influence was particularly visible in the readiness of its assigned forces. The dynamic joint training opportunities and challenging readiness exercises these forces routinely perform together enabled them to work efficiently in a well-coordinated team effort. Added to this force versatility is the improved capability and availability of weapon systems and equipment supplied as a direct result of USSOCOM oversight. The motivation, morale, and professionalism of this force provided the cohesion that enabled them to superbly perform the most complex, difficult missions.

Question. As in any successful military operation, problems and deficiencies arose during the course of Operation JUST CAUSE. What were the most serious problems in the use of Special Operations Forces in Panama?

Answer. Most problems or deficiencies encountered were of a minor nature that were easily resolved by tactical commanders and had negligible impact on mission success. One single issue that stands out as a critical requirement was in the capture of Noriega himself. This key mission was specifically tasked to the Joint Special Operations Task Force because of the unique forces and capability they possess to accomplish such a responsibility. These forces trained hard, rehearsed flawlessly, and performed this mission precisely and superbly. Although a concerted effort was made to track and locate Noriega, we were able to do so accurately less than 50 percent of the time. It is now known that Noriega took elaborate precautions to mask his whereabouts and used extensive deception tactics to evade detection. The intelligence community used all available assets and it is a credit to them that we did as well as we did. The fact remains, however, that an operation such as this depends heavily upon good, reliable human intelligence and that just was not available. Despite this shortfall, the continuous pressure applied to Noriega from H-Hour onward prevented him from exercising even limited command of his forces and ultimately led to his surrender at the Papal Nunciatura.

12. ACCURACY OF REPORTS ON OPERATION JUST CAUSE

In the aftermath of Operation JUST CAUSE, a number of issues have arisen concerning the accuracy of Department of Defense releases and statements, including some statements made by you, about the operation.

Question. You are quoted in the March 12, 1990 edition of The Army Times as concluding that the operation was compromised and as offering three possibilities for the compromise. According to a Washington Post story of March 13, Defense Department spokesman Pete Williams released a statement saying that you were "wrong in just about everything he had said to reporters about how leaks had compromised the operation." In addition, in a March 16 letter to Senator Jesse Helms, Secretary of State Baker wrote the following: "As it turns out the only careless statements were those of General Stiner." What is your reaction to Mr. Williams' statement and Secretary Baker's letter?

Answer. The interview to which you refer occurred almost 2 months following the operation, and certain literary liberties were taken with what I said. I stated that I had heard of three possible reports of compromise, but had no direct evidence to substantiate either report. I also stated that based upon what MG Wayne Downing and I were seeing in Panama, we had reason to believe that they knew we were coming. It was for this reason that we attempted to advance H-Hour in order to achieve as much tactical surprise as possible.

Following the interview and subsequent controversy, I have reviewed available intelligence reports and interrogation reports of PDF officers who were captured/apprehended.

Though I have not been able to interview LTC Del Cid (who is in jail in Miami), I now believe that the operation was probably not compromised from a strategic standpoint. The higher than anticipated level of resistance at Rio Hato and at other target locations can probably be attributed to anticipation by certain PDF commanders, increased readiness as a result of the shooting of 1LT Paz, and quick reaction capability of the PDF's more capable units. Although many PDF officers had seen the 10 p.m. news report that the 82d Airborne Division had left Fort Bragg, there is no indication that they knew for certain that it was headed for Panama, or the magnitude of the entire operation—either in the number of targets or the amount of combat power that would be involved.

Question. It is now clear that reports about the number of Panamanian soldiers that were killed; the accuracy of the F-117A bomb drop; the presence of cocaine in General Noriega's office; and the number of enemy guns found by U.S. forces were not correct. To what do you attribute these false reports?

Answer. First, I do not consider these to be "False Reports." In the heat of battle, we are not always able to accurately confirm every bit of information which is provided. As Secretary Cheney cautioned in his initial statement to the media 7 hours after the start of the operation, "some of the reporting is fragmentary, but it is our intent to give you as much information as we reasonably can." In some cases, in our desire to be responsive to media questions, we released available information which at the time was as accurate as possible. We received information from many sources during the course of JUST CAUSE—soldiers on the ground, U.S. intelligence agencies, and local Panamanians. As updated reports were received or after action reviews were completed, some information turned out to be incomplete. This happens in war. There was never any attempt to purposely mislead or falsify reports.

In the midst of fighting, there is no time to stop and verify that every dead enemy soldier has been counted and reported to higher headquarters. Duplicative reporting is possible. However, the figure of 314 Panamanian combatants killed is the best count that we have. I know of no other credible information that will contradict this.

We went to great lengths to minimize civilian casualties throughout the entire operation, and considering the level of intensity of the fighting, I think we were very successful. While any loss is a tragedy, only three Americans out of 14,500 lost their lives, and 202 Panamanian civilians lost their lives. This includes all Panamanians who died in hospitals, as well as those known to church officials and the Red Cross. Several of this number were of military age and may well have been soldiers—since many of the PDF and Dignity Battalion members fought in civilian clothes. I know of no credible information that disputes this number.

Law enforcement officials are better trained to identify the white powder found in the so called "witches' house" than are soldiers. Subsequent chemical tests correctly identified the material and reporting was corrected.

Recovered enemy weapons were obtained from individuals or from caches/depots/warehouses—sometimes in piles, during the course of combat operations. Initial reports were estimates by squad leaders and platoon leaders (as opposed to actual physical counts), and they were reported as estimates. When captured weapons could be assembled and inventoried by serial number, the figures were less than initially reported. This is usually the case. The final count was given by us as 50,009, on 12 January 1990, long before this newspaper article was written.

Furthermore, with regard to the F-117 strike, we requested a weapons platform from the Air Force and they delivered. As far as I'm concerned, it did what I wanted it to do. The bombs did not collapse any barracks, or destroy any hospitals. According to those officers and soldiers captured, who were out on the airfield shooting at the C-130's dropping the Rangers, the PDF was stunned and confused by the bombs—and many threw down their weapons and ran. The Air Force is conducting its own investigation into the matter and it would be inappropriate for me to comment further.

Question. Do you have any suggestions to preclude a repetition of false reports in future operations?

Answer. I would never support or condone the purposeful falsifying of information or stonewalling. It takes an aggressive, concerted effort by commanders and public affairs officers to provide accurate, timely information to the public during combat operations.

One alternative to preclude "false reporting" is to delay providing any information until we can be absolutely certain of the facts and final figures. In some cases this could mean delays of days, even weeks, until all information could be collected and verified. Obviously, this would not be acceptable. We must understand that the purpose and priority of combat is to pursue the enemy, and we will just continue to do the best that we can in reporting the results of tactical operations.

We must expect that a certain amount of initial information will not be completely accurate. The best solution is to include public affairs considerations in the planning and execution of an operation. We should, however, make every effort to follow up with correct information as soon as it becomes available.

What concerns me about this particular article is that it is misleading to the American public. It implies that we were purposely untruthful, and therefore tends to overshadow the great things that came from Operation JUST CAUSE. But, what is most troubling is that it is demeaning to the honor and bravery of the 26,000 outstanding young Americans who risked their lives for freedom, and particularly to the sacrifice made by the 23 who gave their lives and the 324 others who were wounded.

13. MARINE CORPS SPECIAL OPERATIONS

The Marine Corps has developed a certain special operations capability in its Marine Expeditionary Units (Special Operations Capable) (MEU) (SOC).

Question. What is your view of the role of the Marine Corps special operations and low intensity conflict?

Answer. To a large extent, the Marine Corps' inherent expeditionary capabilities are well suited to respond to the unique demands of low intensity conflict. Low intensity conflict is an environment in which both special operations and conventional forces may operate. The terms special operations and low intensity conflict should not be used interchangeably. Due to similarities in special operations missions and the enhanced capabilities of the SOC designated Marine Expeditionary Units, the Marine Corps MEU (SOC) capabilities can be tailored to complement and augment some special operations activities. Past examples of mutual support have included Operation "URGENT FURY" in Grenada, and more recently, Operation "JUST CAUSE" in Panama.

Question. What is your assessment of the MEU (SOC) capabilities?

Answer. Marine Expeditionary Units (Special Operations Capable) offer a range of capabilities oriented primarily toward their traditional amphibious mission. While MEU (SOC) are not "Special Operations Forces" (SOF), some similar techniques used in the rapid employment of relatively light forces are inherent in both MEU (SOC) and SOF capabilities. Fundamental amphibious assault doctrine is based on procedures for rapid buildup of combat power ashore; "SOC" qualification provides the MEU with "Maritime Special Purpose Force" (MSPF) capabilities that enhance conventional Landing Force assault elements. While some MSPF capabilities resemble special operations missions, such as raids or emergency rescue operations, they are centered primarily on improving the tactics, techniques and procedures of conventional amphibious assault rather than supplanting the capabilities of designated Special Operations Forces (SOF). Accordingly, MEU (SOC) organizations can augment or support certain special operations missions.

Question. Should the MEU (SOC) units be assigned to the U.S. Special Operations Command?

Answer. MEU (SOC) units should not be assigned to the Special Operations Command without an in-depth assessment to determine the extent to which reconfiguration of the current force structure may be necessary, and the potential effect such reconfiguration might have on the Marine's conventional amphibious assault role. Special operations are the legislated responsibility of USCINCSOC. Unless otherwise directed by the Secretary of Defense, all Active and Reserve Special Operations Forces of the Armed Forces stationed in the United States shall be assigned to the Special Operations Command. Marine Expeditionary Units are not "Special Operations Forces" (SOF), although similar technicians used in the rapid employment of relatively light forces are inherent in both MEU (SOC) and SOF capabilities. As in any warfare specialty, some of the special operations techniques and procedures are transferable to conventional forces. While MEU (SOC) units afloat contain Maritime Special Purpose Force Capabilities, they also encompass the medium forces needed for the rapid buildup of conventional combat power ashore.

Question. How do we ensure that MEU (SOC) capabilities are fully recognized and utilized?

Answer. MEU (SOC) units contain unique capabilities that need to be exercised and wargamed at every opportunity. The special qualifications provided by the Maritime Special Purpose Force with SOC capability both enhance conventional Landing Force assault elements and provide the flexibility to conduct a variety of missions in the low intensity conflict spectrum. In order to enhance the interoperability of the MEU (SOC) with other conventional forces and SOF conducting joint operations, these capabilities should be employed in all joint and combined exercises.

Question. In a recent speech, I suggested that one of the best ways to meeting the challenges of a tight defense budget and a new military strategy is to engage in a constructive competition for roles and missions. Would it be useful to analyze the capabilities of these MEU (SOC) forces and those of forces in the U.S. Special Operations Command in the context of such a constructive competition?

Answer. Competition for roles and missions would not be constructive. In light of planned reductions to forward deployed conventional forces, the potential for utilization of maritime based forces and highly mobile Special Operations Forces throughout the conflict spectrum is likely to increase. While similar techniques are used in the rapid employment of relatively light forces inherent in both MEU (SOC) and SOF capabilities, MEU (SOC) capabilities are not intended to supplant those of the Special Operations Forces. Each of these forces offers potentially complementary capabilities in support of America's national security objectives.

14. NATIONAL COUNTER-DRUG EFFORT

There has been considerable debate over the appropriate role of the Armed Forces in the national counter-drug effort. In particular, some people have recommended that Special Operations Forces participate more directly in the interdiction of drugs flowing into the United States.

Question. What is the most appropriate and effective role for Special Operations Forces in the national counter-drug effort?

Answer. The primary role of all Special Operations Forces is to provide training and assistance as a supporting CINC to both host nation, law enforcement agencies and other U.S. Government agencies engaged in anti-drug operations.

Question. Would this role require any specialized training, equipment, or manpower for Special Operations Forces?

Answer. USSOCOM has submitted adjusted items in the POM dedicated to CN operations. If USCINCSOC is to increase training for CN, then additional manpower and money in MFP-11 would be required. As MTT's increase, some say up to tenfold, then an additional increase in manpower is required.

15. SECURITY ASSISTANCE

The U.S. Security Assistance Program is an important instrument for enhancing security and stability in critical regions of the world, especially those struggling with low intensity conflicts.

Question. What is your assessment of the current effectiveness of the Security Assistance Program?

Answer. Despite reduced funding and greater congressional earmarking of funds, security assistance has contributed greatly to maintaining stable deterrence around the world, including in NATO, Korea and elsewhere. Security assistance has also made substantial contributions in resolving and containing actual conflicts. The program is also better run and more efficient due to stable DOD procurement, better planning with countries, and greater concessions to our grant aid programs.

However, security assistance faces major challenges ahead. Several of our friends face severe insurgencies, and we have yet to turn the corner on the drug war. The potential for severe set backs to U.S. interests remains high in Central America, the Philippines, Africa, and the Andean countries.

The Security Assistance Program is also faced with funding and sales problems. This combination has led to crippling reductions in many important programs. In addition, new sales agreements seem to be on a downward trend. This decline in sales will not only mean higher unit costs for DOD, but also poses questions about the ability of the United States to continue to use arms sales as an instrument of policy. We need to focus more attention on the nation building aspects of security assistance and permit nonreimbursable assistance, to include military training and training in public administration (local through national level) to lesser developed countries.

Question. How would you propose to improve the Security Assistance Program?

Answer. Funds must be available to support new strategies that are acceptable to the Congress and administration, particularly for our friends in the areas where we are most likely to become involved in the foreseeable future.

We should increase access to foreign areas and facilities of tactical and strategic importance. Access to those areas and facilities are required to support combatant CINCs' regional objectives and to permit our forces to gain proficiency and upgrade readiness by training foreign personnel so that they can provide for their own security, precluding direct employment of U.S. troops. As stated by the former SECDEF, Mr. Carlucci, in his annual report to Congress, "Without adequate assistance, there is great risk that we will lose regional influence around the world, and that regional conflicts could expand, necessitating direct involvement of U.S. forces."

Adequate assistance must be made available so as to not jeopardize our ability to assist friendly countries throughout the world especially in less developed countries facing low intensity conflicts, drug trafficking, and terrorism (such as Latin America, Africa, Philippines, etc.). Current limits on FMS and security assistance diminish our effectiveness toward those goals. As noted in the response to the previous question, there are some low cost programs, such as training, which pay large dividends. Funds should be approved for these programs, free from the requirement of reimbursement.

Question. Would you favor increased funding for security assistance, including international military education and training, if the increased funding had to be taken from the defense budget?

Answer. As previously discussed, an increase in security assistance funding, including International Military Education & Training (IMET) should be favored if the increase was directed toward critical regions of the world, especially those struggling with low intensity conflict. However, if increased funding was accomplished by taking from the defense budget, this action should not be favored. The DOD budget does not support security assistance as a specific program ($7 million is budgeted for incremental expenses during humanitarian and civic actions). The foreign assistance budget is a separate element of the national budget, directed by the Department of State (DOS) and executed by the DOD. From a parochial viewpoint, any reduction in an already very limited budget to support a DOS program would only have adverse effects on existing programs.

The benefits of the Security Assistance Program, including IMET, are well realized by USSOCOM. A well planned DOS foreign assistance budget promotes host government nation building while at the same time achieves the training needs of U.S. forces and promotes U.S. national security goals.

16. SOLDIER/MARINE ENHANCEMENT PROGRAM

At the initiative of the Senate Armed Services Committee, the National Defense Authorization Act for fiscal years 1990 and 1991 authorized funds for a Soldier/Marine Enhancement Program to test and evaluate better weapons and support equipment for Army and Marine Corps infantry units. The purpose of this important program is to provide a general impetus for increasing the combat effectiveness of our Army and Marine infantrymen through the development of lighter, more lethal infantry weapons and improved equipment.

Question. In several of your prior assignments, you took initiatives to acquire "off-the-shelf" or "homemade" equipment when you deemed the normal acquisition process to be less than acceptable. Based upon this experience, do you believe that there are additional weapons and equipment deficiencies that could be addressed by this initiative? Could you cite some examples from your experience?

Answer. Yes, I believe that there are many opportunities to improve individual capabilities through uncomplicated acquisition of off-the-shelf or slightly modified commercial offerings.

Equipment requirements that can be met with rapidly procured off-the-shelf hardware are normally low density items that do not require extensive logistic support. Examples are specialized boots, underwater flashlights, and special weapons. In the individual weapons and night vision arena, USSOCOM is developing a comprehensive modernization plan that will provide joint interoperable systems to Army, Navy, and Air Force operators. Most of the systems in that plan require little in the way of research and development and can easily be logistically supported.

During my previous assignment at the Joint Special Operations Command, our forces procured a variety of items that have application to the rest of Special Operations Forces and in some cases, to Army and Marine infantrymen. One example is the fast rope helicopter insertion system. We also procured a small lightweight Ground Positioning System for troops and vehicles, lightweight small arms and small arms noise suppressors, and assault and cold weather boots.

One of my challenges will be to improve the rest of the Special Operations Forces using non-developmental procurements where sensible. We are in close coordination with the Army and Marine Corps on the Soldier/Marine Enhancement Program, and I intend to keep an open dialogue with the services to insure that we can capitalize on each other's successes.

QUESTIONS SUBMITTED BY SENATOR ALAN DIXON

The President has nominated Lt. Gen. Carl W. Stiner to be General and Commander in Chief of the U.S. Special Operations Command (USCINCSOC). The U.S. Special Operations Command (USSOCOM) has been in existence since 1987. Prior to this confirmation hearing, General Stiner responded at length to a series of questions submitted by the Armed Services Committee. Several of your questions follow-up on his responses.

1. INTRODUCTORY QUESTION

Senator DIXON. General Stiner, I'll begin with a very general question as I'd like to get a sense of how you view the job for which you've been nominated. How do the dramatic changes that we have been witnessing in the Soviet Union and Eastern Europe affect the importance of Special Operations? In other words, do Special Operations become more or less critical to U.S. national security in a post Cold War era?

General STINER. Special Operations and Special Operations Forces will become increasingly critical to U.S. national security in the post Cold War era. Although the significant combat power of the Soviet Union will continue to present a considerable risk, the more immediate and apparent threat to U.S. interests is most likely to be low intensity conflict.

The sudden emergence of numerous developing countries seeking to enter the world community as fledgling democracies and the attendant reduction of Soviet global influence have introduced conditions which give rise to political and social turmoil. The old bipolar world with superpowers and blocs of client states is being replaced rapidly with a new array of emerging national and regional power groupings. The international environment within which these groups operate is characterized by the increasing sophistication of Third World weaponry, the continued use of terrorism, as an instrument of policy, and the growth of narcotics trafficking and narcotics-related terrorism and insurgency. Their overall impact has reduced superpower capabilities to limit growing instability and contain regional conflict.

The potential for U.S. involvement in low intensity conflict is likely to continue to grow and with it the demands placed upon Special Operations Forces increase. The United States should focus on the early detection of potential low intensity conflict to provide the greatest opportunity to secure peaceful solutions. We should also maintain a continuing capability to respond to fast-breaking crises which affect U.S. interests.

Special Operations Forces provide specially trained and equipped forces for the indirect application of military power through such programs as Security Assistance and Foreign Internal Defense within the Third World. As the level of conflict increases, Special Operations Forces will play an increasing role in counterinsurgency, contingency, counterterrorism, and counternarcotics operations. The balanced application of political, economic, informational, and military instruments of power will be fundamental to our success.

In my judgment, the decade of the 1990s will see a renewed emphasis for the capability of Special Operations Forces in meeting our national security interests.

2. NATURE OF SPECIAL OPERATIONS IN LOW INTENSITY CONFLICT

Senator DIXON. General Stiner, you said in response to a pre-hearing question in so-called low intensity conflicts "the focus is on an environment in which political rather than military considerations are predominant." Specifically, you cite one example of low intensity conflict, Foreign Internal Defense (FID), and indicate that is not strictly a Special Operations mission but is a "joint and inter-agency activity in which Special Operations Forces participate."

How would you work to insure that the Special Operations Command interacts successfully with the other relevant U.S. Government players in this type of low intensity conflict situation?

General **Stiner**. The military aspects of low intensity conflicts, i.e., insurgencies, emerge from deficiencies in a nation's sociological, economical, and political infrastructure. Therefore, it is these deficiencies that the government's collective efforts and resources must focus on, and are predominantly political considerations rather than military. Special Operations Forces can play a significant and important role in low intensity conflicts, especially during nation building pre-hostilities by conducting Foreign Internal Defense missions. However, their activities are only a part of a larger effort to develop the political, economic, and social infrastructure of the country. Our overall effort must have central oversight and the political leadership focus to achieve the coherence required to ameliorate the conditions that foster insurgencies. All U.S. Government activities should be coordinated to ensure progress toward our national goals.

Within the affected nation, it is the U.S. Ambassador and the country team that provides this centralized oversight and leadership. Within the Department of Defense, it is the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict that provides the focus and develops inter-agency agreements and coordinates with nonmilitary agencies and departments. To promote closer relations with the Department of State and to foster a better understanding of the political-military role in low intensity conflicts, the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict and the U.S. Special Operations Command are working closely with the Assistant Secretary of State for Political Military Affairs to establish a State Department Advisor position within the command. United States Special Operations Command has developed command arrangement agreements, supporting plans, and has ongoing dialogue with the theater CINCs. Additionally, the Command's Joint Mission Analysis study for each of the theaters has enhanced cooperation and mutual understanding, with tremendous benefits to both the theaters and U.S. Special Operations Command.

These joint efforts have facilitated the development of special operations doctrine, force structure validation and design, and interoperability. Both the dialogue General Lindsay has initiated and the Joint Mission Analysis study will continue during my tenure.

3. SPECIAL OPERATIONS EQUIPMENT

Senator **Dixon**. General Stiner, it has been argued in the past that Special Operations Forces are given low priority relative to other forces, and consequently do not receive the equipment that they need. You evidently agree with this as you say that the Special Operations component was a "latecomer and low-priority player in the robust DOD modernization effort of the eighties."

You further indicate that you agree with General Lindsay that the highest modernization priority for Special Operations is a "long-range aircraft designed to carry SOF troops into and out of unfriendly territory."

Exactly what kind of aircraft would this be? Is it a follow-on to the Combat Talon? What is its present status, if any? How many new aircraft would you need? How have you determined this requirement?

General **Stiner**. A statement of need for a future SOF aircraft is currently in coordination following preliminary studies of possible aircraft designs through the Air Force Systems Command at Wright Patterson AFB. These aircraft studies have been based on the same type missions that the Combat Talon might be used for today with particular emphasis on the limiting capabilities of the current aircraft. Currently, we can conduct long-range infiltration of SOF forces into unfriendly territory by airdrop using the Combat Talon. The exfiltration of those forces requires a prepared landing site which presents a problem in most of our proposed missions. Hence, the requirement is for an aircraft with long-range, adverse weather, night, and STOL/VTOL capabilities sized to exfiltrate the required SOF (approximately 16 troops) and equipment. We would also desire to incorporate whatever low-observable technology is compatible with the mission driven aircraft design and affordability.

Before the V-22 program was canceled, we had a stated requirement for 55 CV-22s for the SOF mission. We expect the future SOF aircraft fleet to be of that same general size; however, our specific requirement will be determined as part of the ongoing world-wide JMA study. The final report for that study is expected in late fiscal year 1991.

Senator **Dixon**. I understand that at present the C-141 is available for certain types of Special Operations missions. In a similar sense, would you be able to utilize the C-17 for Special Operations?

General STINER. A requirement exists for C-141 airlift augmentation for Special Operations missions in a low threat environment. Assuming the C-17 has as a minimum the same capabilities as the C-141, it could be used in support of these augmentation missions. This should not be construed to mean that the C-17 is equipped to be employed for penetration missions within a medium to high threat environment.

4. THE "DRUG WAR"

Senator DIXON. General Stiner, you've indicated that if the Special Operations Command is to play a greater role in counter-narcotics operations, it will need more money and manpower.

Does this mean that the necessary increase in funding was not included as part of the Pentagon's new drug plan announced earlier this year? (If not, why not?)

General STINER. [Deleted.]

Of the five major counternarcotics operations that will be funded in the 1992-97 Five Year Defense Plan (National Guard Operations, Communications, Operating Tempo (OPTEMPO), Detection and Monitoring, and Demand Reduction), our major activities fall within the Operating Tempo and Detection and Monitoring Categories.

SOCOM's main role in the OPTEMPO category is to train, advise and assist U.S. and Host Nation (HN) Law Enforcement Agencies (LEAs) and appropriate foreign military forces in military skills to combat drug and related narco-terrorist activities.

[Deleted.]

5. PANAMA: OPERATION JUST CAUSE

Senator DIXON. General Stiner, as is well known, you were the Joint Task Force Commander responsible for Operation JUST CAUSE in Panama. In your response to pre-hearing questions, you indicate that this operation reinforced certain "lessons" such as the appropriate employment of Special Operations Forces.

However, it is not clear that Special Operations Forces were always used appropriately during Operation JUST CAUSE. For example, it has been reported that the SEALs suffered heavy casualties while battling to secure a civilian airport, and that in retrospect there were questions about whether the SEALs were adequately armed and whether this was an appropriate mission. Also, you have mentioned that the Green Berets were used to disable the Channel 2 TV tower—a mission that could probably have been carried out by less unique forces. Would you please comment on these concerns?

General STINER. The Joint Special Operations Task Force (JSOTF) Operations Order for JUST CAUSE was developed and refined during many months of intensive review and mission analysis. The final version approved by myself and General Thurman, USCINCSO, reflected a clearly written combat plan that employed Special Operations Forces (SOF) against targets and objectives that were clearly suited for that particular type force. In fact, one of the true lessons reinforced during this complex operation was the JSOTF forces were appropriately trained and tailored for the designated mission and their targets specifically selected based on the unique capability of that force.

As far as the SEALs are concerned, their particular mission was to deny the use of Paitilla Airport. This is basically a direct action mission that U.S. Navy doctrine specifies SEALs be prepared to conduct. The SEALs involved in the airport operation acknowledge that they routinely train to conduct direct action missions and that the Paitilla operation was, in fact, an appropriate mission for them. During this operation, the SEALs were armed with M-16 rifles, 9mm pistols, 40mm grenade launchers, M-60 machine guns, and anti-armor rockets. Additionally, they carried two 60mm mortars. Given the threat at the airport, this weapons mix was entirely appropriate. This was substantiated by the fact that the PDF force they engaged were armed primarily with AK-47 rifles, firing from non-hardened tactical battle positions.

Likewise, the Cerro Azul TV tower was an entirely appropriate mission for the Special Forces. It should be noted that the specific tasking called for the temporary disabling of Channel 2 transmission capability exactly at H-Hour and the subsequent restoration of transmission capability on order. The precise execution of this task required an extremely capable force which could infiltrate a remotely located facility undetected prior to the initiation of combat operations and rapidly disable its capability to transmit without facility damage or destruction. Such tasking not only requires the unique skill of the Special Forces soldier, but also requires a significant degree of technical ability and system knowledge. Neither mission success,

nor our ability to restore this critical asset to service, could have been assured had a less capable force been employed.

Senator DIXON. You state that any problems or deficiencies encountered during Operation JUST CAUSE were of "minor nature" and were "easily resolved by tactical commanders." Yet you single out that Special Operations Forces were tasked to capture Noriega, and that they had a difficult time locating and tracking him. Why was it so difficult to catch Noriega? What would you do differently a second time?

General STINER. [Deleted.]

In hindsight, proper surveillance to provide accurate and timely information on his whereabouts would have facilitated his apprehension on the first night. Had we been able to do that, the operation would have probably ended much more quickly. However, I am convinced that the intensity of our search convinced him that his options for escape were nil. Therefore, he made the decision to seek refuge in the Papal Nunciature.

[The nomination reference of Lt. Gen. Carl W. Stiner follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
April 19, 1990.

Ordered, That the following nomination be referred to the Committee on Armed Services:

The following named officer for appointment as Commander in Chief, United States Special Operations Command, and appointment to the grade of general while serving in that position under the provisions of title 10, United States Code, sections 167 and 601:

Commander in Chief, United States Special Operations Command

To be General

Lt. Gen. Carl W. Stiner, 412-54-9881, United States Army.

[The biographical sketch of Lt. Gen. Carl W. Stiner, which was transmitted to the committee at the time the nomination was referred, follows:]

DEPARTMENT OF THE ARMY
OFFICE OF THE SECRETARY OF THE ARMY
WASHINGTON, DC 20310-1600

OFFICE, CHIEF OF
LEGISLATIVE LIAISON

30 APR 1990

Honorable Sam Nunn
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

The President intends to forward to you under separate cover the following nomination:

> For appointment to the grade of General
> Lieutenant General Carl W. Stiner, Commanding General, XVIII Airborne Corps and Fort Bragg, Fort Bragg, North Carolina and for reassignment as the Commander-in-Chief, United States Special Operations Command, MacDill Air Force Base, Florida.

This action will not result in the Army exceeding its authorized number of general officers.

For the information of the committee, I am enclosing a military career resume for this officer showing his assignments and grades held.

Sincerely,

Leonard D. Miller

Enclosure

Leonard D. Miller
Brigadier General, United States Army
Acting Chief of Legislative Liaison

RESUME OF SERVICE CAREER

of

CARL WADE STINER, Lieutenant General

DATE AND PLACE OF BIRTH 7 September 1936, La Follette, Tennessee

YEARS OF ACTIVE COMMISSIONED SERVICE Over 31

PRESENT ASSIGNMENT Commanding General, XVIII Airborne Corps and Fort Bragg, Fort Bragg, North Carolina 28307, since October 1988

MILITARY SCHOOLS ATTENDED
The Infantry School, Basic and Advanced Courses
United States Army Command and General Staff College
United States Army War College

EDUCATIONAL DEGREES
Tennessee Polytechnical Institute - BS Degree - Agriculture
Shippensburg State College - MS Degree - Public Administration

FOREIGN LANGUAGE(S) None recorded

MAJOR DUTY ASSIGNMENTS

FROM	TO	ASSIGNMENT
May 58	Feb 60	Platoon Leader, Company D, 2nd Battle Group, 9th Infantry Regiment, 2nd Infantry Division, Fort Benning, Georgia
Feb 60	Oct 61	Executive Officer, Company A, 1st Battle Group, 11th Infantry Regiment, 2nd Infantry Division, Fort Benning, Georgia
Oct 61	Apr 62	Assistant S-3, 2nd Battle Group, 3rd Infantry Division, United States Army Pacific (Eighth United States Army)
May 63	Sep 63	Executive Officer, 18th Battalion, 5th Training Regiment, United States Army Training Command, Fort Jackson, South Carolina
Sep 63	Apr 64	Commander, Company E, 5th Battalion, 1st Training Brigade, United States Army Training Center, Fort Jackson, South Carolina
Apr 64	Aug 64	Executive Officer, 2nd Battalion, 1st Training Brigade, United States Army Training Center, Fort Jackson, South Carolina
Aug 64	Oct 65	Counterinsurgency Operations Training Officer, Company A, 3rd Special Forces Group (Airborne), 1st Special Forces, Fort Bragg, North Carolina
Oct 65	May 66	Operations Officer, Special Forces Detachment C, Company A, 3rd Special Forces Group (Airborne), 1st Special Forces, Fort Bragg, North Carolina
Aug 66	Jun 67	Student, United States Army Command and General Staff College, Fort Leavenworth, Kansas
Jun 67	Jan 68	S-3 (Operations), 3rd Battalion, 12th Infantry Regiment, 1st Brigade, 4th Infantry Division, United States Army, Vietnam

MAJOR DUTY ASSIGNMENTS

FROM	TO	ASSIGNMENT
Jan 68	Jul 68	S-3 (Operations), 1st Brigade, 4th Infantry Division, United States Army, Vietnam
Jul 68	Feb 70	Personnel Staff Officer, Current Analysis Branch, Capabilities and Analysis Division, Office of the Deputy Chief of Staff for Personnel, United States Army, Washington, DC
Feb 70	Feb 72	Assistant Deputy Secretary of the General Staff (Staff Action Control), Office of the Secretary of the Army, Washington, DC
Feb 72	Jun 72	Executive Officer, 3rd Brigade, 82nd Airborne Division, Fort Bragg, North Carolina
Jun 72	Jul 73	Commander, 2nd Battalion, 325th Infantry Regiment, 82d Airborne Division, Fort Bragg, North Carolina
Jul 73	Jun 74	Assistant Chief of Staff, G3 (Operations), 82d Airborne Division, Fort Bragg, North Carolina
Aug 74	Jun 75	Student, United States Army War College, Carlisle Barracks, Pennsylvania
Jul 75	Jun 77	Assistant Project Manager for Training Management, Office of the Project Manager, Saudi Arabian National Guard Modernization Program, Riyadh, Saudi Arabia
Aug 77	Mar 79	Commander, 1st Advanced Individual Training Brigade, United States Army Infantry Center, Fort Benning, Georgia
Aug 79	Mar 80	Deputy Director of the Army Staff (Staff Action Control), Office, Chief of Staff, United States Army, Washington, DC
Mar 80	May 82	Chief of Staff, Rapid Deployment Joint Task Force, MacDill Air Force Base, Florida
Jun 82	Aug 83	Assistant Division Commander, 82d Airborne Division, Fort Bragg, North Carolina
Aug 83	Aug 84	Assistant Deputy Director, Politico-Military Affairs, J-5, Plans and Policy Directorate, Organization of the Joint Chiefs of Staff, Washington, DC
Aug 84	Jan 87	Commanding General, Joint Special Operations Command, Fort Bragg, North Carolina
Jan 87	Oct 88	Commanding General, 82d Airborne Division, Fort Bragg, North Carolina

PROMOTIONS	DATES OF APPOINTMENT	
	Temporary	Permanent
2LT	30 May 58	15 Apr 59
1LT	30 Nov 59	30 May 61
CPT	25 Oct 62	30 May 65
MAJ	13 Dec 66	30 May 72
LTC	15 Nov 71	30 May 79
COL	1 Feb 76	
BG	1 Apr 80	22 Jan 82
MG		1 Jul 85
LTG	11 Oct 88	

US DECORATIONS AND BADGES
Defense Distinguished Service Medal (with Oak Leaf Cluster)
Distinguished Service Medal
Defense Superior Service Medal
Legion of Merit (with Oak Leaf Cluster)
Purple Heart
Meritorious Service Medal (with 2 Oak Leaf Clusters)
Air Medals
Army Commendation Medal (with 2 Oak Leaf Clusters)
Combat Infantryman Badge
Expert Infantryman Badge
Master Parachutist Badge
Ranger Tab
Special Forces Tab
Joint Chiefs of Staff Identification Badge
Army Staff Identification Badge

SOURCE OF COMMISSION ROTC

SUMMARY OF JOINT EXPERIENCE:

Assignment	Dates	Rank
Assistant Project Manager for Training Management, Saudi Arabian National Guard Modernization Program	Jul 75-Jun 77	Lieutenant Colonel /Colonel
Chief of Staff, Rapid Deployment Joint Task Force, MacDill Air Force Base, Florida	Mar 80-May 82	Brigadier General
Assistant Deputy Director, Politico-Military Affairs, J-5, Plans and Policy Directorate, Organization of the Joint Chiefs of Staff, Washington, DC	Aug 83-Aug 84	Brigadier General
Commander, Joint Special Operations Command, Fort Bragg, North Carolina	Aug 84-Jan 87	Major General

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[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by Lt. Gen. Carl W. Stiner in connection with his nomination follows:]

UNITED STATES SENATE

COMMITTEE ON ARMED SERVICES

Room SR-228

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearings and will also be published in any hearing record as well as made available to the public.

1. **Name:** (Include any former names used.)
Stiner, Carl W.

2. **Position to which nominated:**
Commander in Chief, United States Special Operations Command.

3. **Date of nomination:**
April 19, 1990.

4. **Address:** (List current place of residence and office addresses.)
[Nominee responded and the information is contained in the committee's executive files.]

5. **Date and place of birth:**
September 7, 1936; LaFollette, TN.

6. **Marital Status:** (Include maiden name of wife or husband's name.)
Married to Carolyn Sue Reeves.

7. **Names and ages of children:**
Mrs. Carla S. Robinette, age 27.
Miss Laurie A. Stiner, age 20.

8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.
1954-1958, Tennessee Polytechnic Institution, BS; Agricultural Science; May 1958.
1974-1975, Shippenburg State College, MS; Public Administration; June 1975.

9. **Employment record:** List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.
From May 30, 1958 to present: Active duty, U.S. Army. See attached services record (biographical sketch).

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.
[Not applicable.]

11. **Business relationships:** List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.
a. Partner (¼ interest) in Hope Enterprises, LaFollette, TN since 1966, farm partnership, land held for investment.
b. Partner (½ interest) in Stiner Farm, LaFollette, TN since 1966. Family business, farm, supermarket, and service station.

12. **Memberships:** List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.
Association of the U.S. Army.

13. **Political affiliations and activities:**

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

None.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $100 or more for the past 5 years.

None

14. **Honors and Awards:** List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

For military medals: see attached service record (biographical sketch).

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

None

16. **Speeches:** Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

None.

17. **Selection:**

(a) Do you know why you were chosen for this nomination by the President?

To fill the vacancy being created by retirement of the incumbent, Gen. James Lindsay, on 31 May 1990.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular position?

A solid background in assignments at all levels in Special Operations Forces, Joint assignments and with Contingency Forces, to include:

Chief of Staff, Rapid Deployment Joint Task Force.
Commanding General, Joint Special Operations Command.
Commanding General, 82d Airborne Division.
Commanding General, XVIII Airborne Corps.

18. **Commitment to testify before Senate committees:** Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

Name: Carl W. Stiner.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past 10 years have your or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employers, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either, individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

CARL W. STINER.

This 30th day of April, 1990.

[The nomination of Lt. Gen. Carl W. Stiner was reported to the Senate by Senator Sam Nunn on June 21, 1990, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on June 22, 1990.]

NOMINATION OF ADM. FRANK B. KELSO, II, USN, TO BE CHIEF OF NAVAL OPERATIONS

THURSDAY, JUNE 14, 1990

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 10:08 a.m., in room SR-222, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Committee members present: Senators Nunn, Exon, Dixon, Shelby, Warner, Wilson and McCain.

Committee staff members present: Arnold L. Punaro, staff director; Andrew S. Effron, general counsel; Marie Fabrizio Dickinson, assistant chief clerk; Richard DeBobes, counsel; and Daniel G. Sakura, research assistant.

Professional staff members present: Creighton Greene, John J. Hamre, and Frederick F.Y. Pang.

Minority staff members present: Patrick A. Tucker, minority staff director and counsel; Romie L. Brownlee, deputy staff director for the minority; George W. Lauffer, Durwood W. Ringo, Jr., and Mark B. Robinson, professional staff members.

Staff assistants present: Mary J. Kampo and Kelli J. Pronovost.

Committee members' assistants present: Andrew W. Johnson, assistant to Senator Exon; Kenneth N. Luongo, assistant to Senator Levin; William J. Lynn, assistant to Senator Kennedy; Charles C. Smith, assistant to Senator Dixon; Milton D. Beach, assistant to Senator Glenn; Terence M. Lynch, assistant to Senator Shelby; Dale F. Gerry, assistant to Senator Cohen; Patrick F. McCartan, assistant to Senator Wilson; Anthony H. Cordesman, assistant to Senator McCain; Robert M. Soofer, assistant to Senator Gorton; Charles G. Pearcy, assistant to Senator Lott; and Eric H. Thoemmes, assistant to Senator Coats.

OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman NUNN. The committee will come to order.

The committee meets today to consider the nomination of Adm. Frank B. Kelso, II, to be the next Chief of Naval Operations, and Gen. Michael J. Dugan to be Chief of Staff of the Air Force. We will consider Admiral Kelso first, and then we will turn to General Dugan.

[General Dugan's hearing record follows the record of Admiral Kelso's hearing.]

I want to extend a warm welcome to Admiral Kelso. We appreciate very much your being here with us this morning. We are honored to have you.

Admiral Kelso brings a most distinguished career to his new assignment. Most recently, Admiral Kelso served as Supreme Allied Commander, Atlantic Commander in Chief, U.S. Atlantic Command. He began his career at the Naval Academy and has served tours aboard an amphibious ship, diesel and nuclear attack submarines and strategic missile submarines.

Admiral Kelso saw duty as 6th Fleet Commander, during which he commanded a joint Navy/Air Force strike against Libya. Admiral Kelso also had a number of duty assignments ashore, including over 12 years of joint duty or joint duty equivalent assignments. He was able to survive several tours in Washington, which is the ultimate test. I had the good fortune to first work with Admiral Kelso when he was serving in the Strategic Submarine Division as a TRIDENT program coordinator. At that time the Navy was establishing a very important base at King's Bay, Georgia.

In addition, the committee has benefitted from Admiral Kelso's testimony over the years, particularly his operational insights into the role of the military in drug interdiction when we were developing the 1988 drug amendments.

Admiral Kelso, it is a pretty good assumption that this Washington tour will be much more of a challenge than your previous tours. Some of the new challenges facing the Navy and the Marine Corps include adapting our forces to changes in the threat facing our Nation; helping determine whether the Nation requires continuous forward presence and where it may be intermittently or even in some cases perhaps dramatically reduced; responding to the challenge of making more effective use of the Navy Reserve; maintaining a high quality force at lower levels; reorienting the Navy toward thinking smarter, not richer, which includes greater implementation of "fly before you buy"; pursuing innovative research to maintain our technological edge and preserving a viable defense industrial base.

Admiral Kelso has responded to the prehearing policy questions that I sent him, and I ask unanimous consent that these be included in the record. They were provided to all members of the committee.

[The information referred to follows the hearing record.]

Chairman **Nunn**. Admiral, I want to particularly compliment you for the answers you gave to my questions. I can tell you spent a lot of time and thought on them, and I read them with a great deal of interest. I am appreciative of that.

I will ask Senator Warner for any comments he would like to make, and then if other Senators have opening remarks we would be glad to have those. Then we will hear from Admiral Kelso.

Senator **Warner**. Thank you, Mr. Chairman.

I think as we see this outstanding American before us today, we should reflect on the important office that he will assume, and remember that he succeeds a very distinguished predecessor, Admiral Trost, who has served now nearly 4 years in that post. I am sure every Member of this committee joins me today in wishing him well on whatever career path he will next undertake.

Admiral, you and I have had an opportunity to work together for nearly 20 years now. I know you to be a person who understands the concept of naval superiority. It is something that this country must maintain. We are basically an island nation dependent on the sea lanes of the world, and the U.S. Navy is the arm of our national defense that makes possible our continued dependence on these sea lanes not only for our economic survival but for our strategic and national security survival.

We are now beginning to look at reductions in people in the Defense Department. But we simply cannot just take reduction across the board, because naval service is unique, it is different from land service and air service. Men and women go to sea for extended periods of time, leaving at home their dependents. I know that you will bear that in mind as you look at these reductions and make your voice heard.

Finally, as we reduce the size of our fleet, I hope that you and the current Secretary will permit no ships to go to sea which in your judgment are not professionally manned at proper levels. It would be better to tie up the ships dockside than to ever send a ship to sea that is not adequately manned with all the skilled professionals who are needed.

I wish you luck.

Chairman NUNN. Thank you, Senator Warner.

Senators Dixon and Thurmond have prepared statements that they wish to have included in the record.

Does any other member of the committee have any opening remarks? [No response.]

[The prepared statements referred to follow:]

PREPARED STATEMENT OF SENATOR ALAN J. DIXON

Mr. Chairman, today we meet to consider the nomination of Adm. Frank B. Kelso to be Chief of Naval Operations, and the nomination of Gen. Michael J. Dugan to be Chief of Staff of the Air Force. I welcome these distinguished nominees.

The president's nominees for these top military positions in the Navy and Air Force deserve the committee's most careful consideration. Heading up a branch of the armed services has always been a tough job. However, given the changes that we are witnessing in the world, and the consequent adjustments that our armed services will have to make, the challenges faced by the Navy and Air Force Chiefs will be greater than ever.

The committee has made a considerable effort over the past several months to find out how the Navy and Air Force plan to adapt to the changes that are taking place in the world. I hope that today's hearing will provide an opportunity for the committee to gain a better understanding of how these nominees would handle the rethinking and restructuring that must take place in our Nation's military forces. I am especially interested in learning more about the priorities that these men would bring to their respective jobs. For example, I have emphasized throughout this year's defense debate that as we inevitably reduce forces deployed overseas—we must place even greater emphasis on strategic lift and force projection capabilities.

Mr. Chairman, I look forward to hearing from Admiral Kelso and General Dugan.

PREPARED STATEMENT OF SENATOR STROM THURMOND

Thank you, Mr. Chairman.

I join you and the members of the committee in welcoming Admiral Kelso to this hearing on his nomination as the next Chief of Naval Operations. He has appeared before this committee on numerous occasions; however, I believe he will agree with me that this is his most important appearance.

Admiral Kelso, I congratulate you on your nomination. You will follow a very able group of officers who have guided our Navy through a period of expansion and made it the most powerful in the world. World events, however, will present you with a different challenge. During your tenure as the 24th Chief of Naval Operations, you will be faced with the task of how to manage that force with fewer resources—a task which none of us envy.

As a submariner, who incidentally is married to a beautiful lady from Florence, South Carolina, I am confident that you are up to the challenge. You have my support, and I wish you success in the challenge you are about to undertake.

Thank you, Mr. Chairman.

Chairman NUNN. Admiral Kelso, we are glad to have you, and any opening remarks you have we will receive now.

STATEMENT OF ADM. FRANK B. KELSO, II, USN

Admiral KELSO. Well, Senator, I would just like to say shortly that it is a great honor to be nominated to this position of Chief of Naval Operations by our President. It is an honor to appear before this distinguished committee today. I have enjoyed and it has been professionally rewarding to work with you in the past, and I certainly look forward to that in the future if I am confirmed this morning. It is a great honor to be here, sir.

Chairman NUNN. Thank you very much, Admiral. Let me ask you a couple of questions right off the bat, and then we will move it around.

Do you agree, if confirmed for this high position, to appear before this committee and other appropriate committees of the Congress and, when asked, give your personal views, even if those views differ from the administration in power?

Admiral KELSO. Yes, sir. I certainly do. I recognize that sometimes I might not be as definitive as if the administration were making its position, but I will give you my personal views.

Chairman NUNN. That is what we need, your personal views, when we ask for them.

In testimony before this committee earlier this year, Admiral, you stated, quoting, "I certainly would agree that in my career the risk of conflict is less than I think it has ever been."

Admiral Trost also before this committee said, quoting, "Our process has identified very few things that would change the requirements for the Navy. That said, one would say, well, clearly we need the forces we have." He went on to say, quoting again, "When I looked at the long term and the changes that might be necessary for the future even beyond the period of the five years covered by the next defense plan, I really see personally very little change in the trends in the international security environment."

How do we reconcile those two statements, one by the soon-to-be new Chief of Naval Operations and one by the existing Chief of Naval Operations, which on their face appear to be in rather significant conflict?

Maybe we do not reconcile them. How do you treat those?

Admiral KELSO. Well, I think Admiral Trost and I see the operation of naval forces over the past 40 years in much the same way, in that we have been deployed with many of our forces for various reasons throughout that period of time because much of the world has been politically unstable. U.S. Naval and Marine forces have been positioned in many cases to provide stability. More often than not they were not used, but they were there.

I think what Admiral Trost was referring to was the fact that he foresees a world where we will continue to be deployed. Much of the third world is still unstable. You read the paper this morning, and there is a very interesting article about the Middle East and its instability; Admiral Trost's vision is we will probably be deployed in many parts of the world like that as we continuously have over the years.

I think that is a question of the debate today. So if you look at it like we are going to continue to deploy as we did, then maybe the forces we had we will still need. When I made my statement, I was in a job where I looked closely at Europe and the Atlantic. I was thinking in a sense that the Central European equation has changed. The Eastern European nations are no longer basically militarily oriented. They are changing their political system to a democratic society. So in that sense I saw the capability of a threat of a global conflict considerably less than I had through most of my career.

I think it was the different perspective we were looking from which gives you different answers.

Chairman NUNN. Would it be fair to say in your opinion that the threat has significantly changed but we still face a dangerous world out there with many challenges?

Admiral KELSO. I think that is a very fair statement; that the threat as we traditionally had looked at it has certainly changed. I just do not think anybody could draw any other conclusion. At the same time, there is much of the world that is in economic and political instability. I do not think anybody can predict how it is going to be 5 years from now or 10 years from now. We are just going to have to live through it, and I think we will need a significant military capability until we see greater stability.

Chairman NUNN. I certainly think that we would agree with that.

Admiral, in looking at the changed threat, most of which relates to the Warsaw Pact and the Soviet Union, from a maritime point of view how do you see just the Soviet part? I am not talking about other parts of the world, the Middle East, Pacific and other places where the Soviets are not a threat in some of those areas. Just from the Soviet threat, how do you see that diminishing in terms of the maritime Soviet threat?

Admiral KELSO. Let me answer from a capability standpoint, and I think we can translate that to threat. If you look at the Soviet operating regime in the last few years, they have, it appears to me, decided to operate less away from their shores, so they have sort of taken on the defensive doctrine even more so than they might have in the past. So we do not see them operating on the high seas as much as we did, say, 3 or 5 years ago.

If you look at the numbers of their platforms that are really capable ships, you see that they have continued to follow their shipbuilding programs. They are building submarines at the rate we expect. Each year they are building major surface platforms, and they are continuing at this point to carry on with the fixed wing carrier platforms which they were developing.

So if you asked me for an assessment of the Soviet Navy today versus what it was 5 years ago, I think it is a more capable Navy and a more modern Navy. They have gotten rid of many older platforms that were essentially not usable anyway and sent them to scrapyards, but it is a very capable Navy.

I think the real question is what will they do in their next 5-year plan? Will they continue to build at that rate, or will we see a change? We probably will not see any change until 1991. I think their problem is they plan to do that, but to stop building today would mean they put people out of work. It does not appear that they have done that.

So they have continued to modernize their Navy over this period of time. The capability for it to operate and be better, I think, is there, the intention, I think, is not.

Chairman NUNN. Given the changes in the Soviet operating tempo, where they are operating and so forth and so on, and given the overall changes on the Central European front which have, of course, changed the warning time on the continent to a great extent, without getting into how much you are going to change them, if you are going to change them, what elements in terms of the Navy will you be looking toward in terms of reviewing to see if changes can be made?

Admiral KELSO. Well, it is clear in my mind that we are going to have lesser resources to carry on with, so we are going to have to look at how we meet the defense needs of this country with less. If that occurs, we will have to be more flexible in the way we operate.

You will not be able to stay in the same place as long as you might have. You may have to use different types of platforms than you might have used in the past in order to make that happen, and I think that is how we will have to look at it, Senator. I think we will need to be in those places in the world where instability exists, because I believe if we pull out we will leave a vacuum that might cause even more instability and then we would have a hard time influencing events. So we will have to look for different ways than we might have in the past to have done that, and that is the way I would approach it.

Chairman NUNN. Would you include in that taking a look at the naval reserve and its role?

Admiral KELSO. Yes, sir, I think I would have to look at the naval reserve and see how it fits into that pattern. We have a great investment which we have built up over the past few years. Until we know what the certainty of the world is, if we ever will, we need to look at the way we protect that investment, but not spend a lot of money operating it. I think we have to look at some sort of opportunities like that to save that investment.

Chairman NUNN. Thank you. Senator Warner?

Senator WARNER. Thank you, Mr. Chairman. Admiral, you are going to step up on the bridge, now. You are going to take the "con" from a distinguished predecessor. How do you intend to change course and speed, if at all, from your predecessor? What are your goals?

Admiral KELSO. Well, my goals are really pretty simple. I would like to see us maintain the capability, the maritime capability that we have traditionally had in this country, so that we can meet our responsibilities throughout the world. That may be with a smaller force, but I think a maritime capability is absolutely essential for this country. I do not think the needs for that will go away, whatever level our force turns out to be.

The next thing I want to make sure that we do is take care of our people, because the most important thing we have in the U.S. Navy is our people, and in my opinion we have a wonderful group of young people in our Navy today, and I want to maintain their morale and esprit de corps.

The next thing is just my basic philosophy, as it always has been. If I can make this a little better than when I came here, I will not be doing too badly.

Senator **Warner**. Do you feel that Congress should step up and assist in special legislation concerning people, as we begin what appears to be a fairly dramatic draw-down in the manpower levels of all three branches?

Admiral **Kelso**. Well, our goal obviously, if we have to reduce people in the military—I think that is going to happen—would be to do so in such a way that we do not put them at a disadvantage because they will have to leave the military. We have to remember that this is an all-volunteer force, and when we created the all-volunteer force, I believe there was an implication, at least for those who joined up, that if they wanted to make a career here, there was an opportunity to do so.

Senator **Warner**. Or at least to fill out the contracts which they had signed up for.

Admiral **Kelso**. Yes, the contracts. So our goal would be to reduce people along with force structure that you do not need any more. If we reduce faster than that—and that is a good probability in some areas, I think—I believe it is the obligation of the country to give the people that are leaving the opportunity to get settled in another job. It would take some new legislation to provide for that so that they have a reasonable life until they can get settled. Having closely observed my own children's experiences, I know it is not easy to get a job in this world unless you have particular skills and people want them. We may have to help retrain some people.

So I think it would be very important for the Congress to work with the military departments to try to come to a set of legislative provisions that would help those people.

Senator **Warner**. When we visited the other day, I think you caught and characterized in a very unique way the all-volunteer force. Many, many of these people today in uniform are not there simply for the pay and the benefits. They are there because of a sense of pride in serving in our military. If we come out with some dramatic cut across the board, it sends a message that I believe you characterized as "We do not need you any more." That could begin to undermine the whole concept of the all-volunteer force. Would you share with the committee the same thoughts which you so eloquently shared with me a short time ago?

Admiral **Kelso**. Yes, sir. I said that I accept the change, that we are going to get smaller, but you asked what are the really hard spots in that?

The really hard spot for me is how do we affect our people as we do this, and I think about it in a little different way now than I might have 10, 15, or 20 years ago in my career. I have believed all my career that how well we do with people in the military—in other words, whether they reenlist, whether they like being in the military—is dependent more on what the American people think of their job and transmit to them about their job—in other words, if it feels good to be a sailor or an airman, and I know Uncle John feels that way about it and Aunt Sarah and my friends back home, I like my job. If you go home in uniform and they look at you like—well, what are you doing in the military?—you begin to worry about it.

So as you go down, you run the risk of giving people the idea that we do not need you in the military any more, and then you start the feeling that, why join up? We are now in a different situation than we have been in my lifetime, anyway, since the Second World War, that in order to come into the military the young person has to make the choice on his own. There is no draft, no compulsory reason to come in, so it is not easy to turn the spigot on if you turn that feeling of joining off, and recruiting off. It is a very difficult political decision for the country to have to make.

Again, if you were going to do it with any other type of system—the all-volunteer force I believe has worked very well for us. We have a very motivated group of young people today. I would like to see us keep it that way, sir.

Senator WARNER. Admiral, as you reduce the size of the fleet in terms of numbers of ships and also personnel, if you reach a crunch point where you do not have adequate people of the various ratings to man a ship, given the choice, would you tie that ship up dockside or let it go to sea undermanned?

Admiral KELSO. Well, I am not going to be in favor of sending any ship to sea that is not safe to go to sea, and if you do not have people on it to man it, it is not safe to go to sea. This is not an absolute. You may go one or two people short, but when you get to the point that you do not have enough people to operate, or they are not trained well enough to operate, I think I would be irresponsible to send them to sea.

Certainly, you know there might be times in a conflict where you had no choice but to do so, but in a peacetime environment it would be irresponsible to do so, Senator. I would not sign up for that.

Senator WARNER. Thank you very much, Mr. Chairman. My time has expired.

Chairman NUNN. Thank you. Senator Exon?

Senator EXON. Mr. Chairman, thank you very much. Admiral, let me join the leadership of the Committee in welcoming you here today and your nomination, and that to be followed by our traditional promotions that have served the United States as a whole so very well. I welcome you here, and enthusiastically support this nomination.

Let me go through a few questions, if I might. You touched on it briefly this morning. I believe that during this time of euphoria over the significant developments and the reduced threat, while we are celebrating that and making decisions on how best to incorporate those changes into the reductions that we are going to be making in the overall military posture of the United States, we have to recognize and look at what might happen in the future.

History is replete with examples where, after we have resolved one problem, another one follows.

You have indicated this morning what I believe is the general consensus, that the most likely trouble spot next that we have to be most concerned about is the difficulty in the Middle East. I took it from your comment this morning that you happen to feel that we should be reviewing that situation very carefully. Is that your main concern in the immediate future?

Admiral **Kelso**. I really use that as an example, Senator. I think that certainly the Middle East is one of those places that historically continues to be very difficult to deal with politically. We do not seem to be able to come to a political solution, and we have not for a long, long time. If you step around the globe today you have a very volatile situation in the Iran-Iraq area, and you have a volatile situation in the Pakistan-India area. Look at Africa, you have a great deal of political instability across it, and economic instability for many of our friends and nations in Latin America.

If you look across the world, there are not simple economic and political solutions to many of the problems. They have tended historically to cause conflict and unrest that I do not think will clear up soon, and so therefore we would need the capability, if the United States desires, to help respond in those areas as we have much of my lifetime. That is what I really intended to say.

Senator **Exon**. Well, I think the point that you are making is a good one. It is a point that I would expect you to make, and one that I would agree with. Projection of forces of the United States to a large extent is dependent upon the projection of forces of the Navy. We all recognize that.

I happen to feel that the most likely spot for the outbreak of hostilities be in the Middle East, and I am talking about the Mediterranean and the Indian Ocean, the Gulf.

Given that, I would like to ask you, is the naval base at Haifa in Israel particularly important to the projection of U.S. naval forces in that part of the world right now?

Admiral **Kelso**. Haifa is a base which our ships visit periodically. You do minor upkeep in Haifa, Senator, and it is the most eastern base in that part of the world that the U.S. Navy uses. We do go into Alexandria, Egypt, occasionally. We do do some minor work in that part of the world. Any base in that part of the world, if you were going to operate naval forces there that can support you, is very useful to you, otherwise you would have to go back somewhere in one of the other allied countries.

So if you are going to stay in that part of the world you would like the capability to use it. It is a port, it is an Israeli naval station, and they are generally very friendly to us when we come in there and support us in that area, so it is very useful to us.

Senator **Exon**. Are we moving to more and more dependence on that Haifa base than we were, say, 5 years ago?

Admiral **Kelso**. I have not been in the Mediterranean since 1986 to look at the day-to-day operation. I do not believe that we are using it much more now than we did then. We have always used it. But I could be wrong, Senator. I would be happy to look at the details.

Senator **Exon**. I wish you would submit that for the record.

Admiral **Kelso**. We generally tend to use it depending on where our forces are deployed; if they are deployed in the Eastern Mediterranean, then we use it more than otherwise. So it depends a little bit on where you are operating. If you looked at it today, the *Eisenhower* is the carrier assigned to the Mediterranean. It recently swung over to the Eastern Atlantic to support General Eisenhower's 100th Birthday celebration off Normandy and is on its way back into the Mediterranean. If it were in the Eastern Mediterranean, Haifa would be a likely place for it to visit. But for an overall trend, I will submit it for the record, sir.

Senator **Exon**. Please submit that for the record.

[The information follows:]

[Deleted.]

Senator **Exon**. The information that I have is that we have had a significant increase in the last few years in the use of Haifa, and I would like to have that for the record.

Certainly, you are a great supporter of the aircraft carrier battle groups. We are looking at those at the present time. What could you tell us this morning about the suggestion that at a minimum, given the restraints of the budget, that we are going to have to reduce the 14-carrier battle groups to 12?

Admiral **Kelso**. Well, obviously as a naval officer I would have a great deal more flexibility with 14 than I would have with 12, so if we do end up reducing to that level, we will not have the ability to respond to as many things, and we will have to operate less. If we maintain the same sort of presence in the world, we will not be there as often as we were. It is that kind of an equation. You give up something.

I guess the question is, do you think that is necessary, or how much is necessary? I would have more flexibility to operate with 14. If we get 12, then we will figure out how to operate with 12. We will not be in as many places as we were as often, if we are going to give our people the same time with their families at home that we have. I just think it is that equation, Senator. It is a judgment politically, as well as militarily, that we will not be in the Indian Ocean as much. We will not be in the Far East as much. We will be in fewer places.

Senator **Exon**. You know I have been a strong backer of the SSN-21 for reasons that we cannot talk about in this classification. Let me ask you, how much of a concern is there in your mind with regard to the technical risk on the combat system on the SSN-21 attack submarine, and do you believe that we could maybe slow down that program somewhat to avoid some of the concurrency problems in this area similar to that which we experienced with the B-1 bomber?

Admiral **Kelso**. Senator, I do not know about slowing it down because I have not studied recently that much as to what it would do to our shipbuilding base.

What do you mean by slowing it down? I think we do have an issue here. How many submarines you build depends on where you are going to go with the shipbuilding base and that sort of thing. I do not have on the top of my head a good answer there.

I believe that we can build the SSN-21 and that the combat system will work. It is not any more sophisticated in the time it is being built than several others we have built. That is not to say we did not have bugs in them we had to work out for some time after we put the ship in the water.

I guess the thing about the SSN-21 that worries me more than anything else, more than the timing and that sort of thing, is a commitment to carry on with submarine technology. We have not designed an attack submarine in over 20 years in this country except the SSN-21. We have over my career seen our technology lead in submarines gradually erode. I do not want to lose the lead because I believe if we lose the lead we will cause an enormous change in relative confidence.

The Soviets have been working on submarine technology for all of my lifetime, and they have gradually improved. I do not think they will stop improving because I believe if they emphasize anything in their navy it will be submarines. I would contend the world changing would even make that more so for them, because if they see a longer war they will see a need for interdiction more than they might have in the past.

So I do not want to lose the submarine technology lead because I think it would be an enormous confidence builder for Soviet national leadership. It would change their perception of their position enormously, and I do not think that is something that this country should do.

Senator EXON. My time is up. Thank you, Admiral.

Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator Exon. Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

Welcome, Admiral Kelso.

Admiral KELSO. Thank you, sir.

Senator MCCAIN. In response to the Chairman's first question asking whether you would state your personal view if asked by this committee, you said but it may not be as definitive. You gave some caveat. I do not understand that.

Admiral KELSO. What I meant, Senator, was obviously I work for the Secretary of Defense and the Secretary of the Navy. I have to be loyal and support them. I do not believe it is in the best interest of the Congress or the government and, in fact, I would contend that they probably would not want me to work for them—if I disagreed with their position, sir. If I can support it and believe it is an honest position even though it might not be personally what I would like to do, I am going to try to support their position. So I do not think I should give an opinion that was contrary to what the President decided to do. That is all I meant.

Chairman NUNN. Admiral, I will have to tell you, that is not satisfactory to this committee. We have had a policy for 30 years. When we ask you questions, when we ask for your personal view, we do not expect you to come up here and disagree with the President or disagree with the Secretary of Defense unless we ask, Admiral, is this your personal view.

If we ask the question that way, then what we expect is an honest, candid, frank answer from you.

Admiral Kelso. I believe, Senator, I have always given an honest, candid, frank answer in that regard, and I will continue to do so.

Senator McCain. Thank you.

Admiral Kelso, do you believe that combat experience should be a factor in promotion and selection for positions of higher responsibility in the Navy?

Admiral Kelso. Yes, sir. I do believe that how an officer performs in an operational position and in combat is very important to his future promotions.

Senator McCain. Do you believe that combat experience has been given enough weight in the selection of admirals for flag rank and promotion within flag rank?

Admiral Kelso. Yes, sir, I do. We are getting further and further away from many people who have combat anymore, so it is harder to give an answer to that because many of us do not have much combat experience, sir.

Senator McCain. In response to one of Senator Nunn's questions, you said, "Today it is clear the American people do not believe the investment needed to reach and maintain a 600-ship navy is justified by the world situation. I share this assessment."

If you share that assessment, what Navy forces should be given priorities, since clearly we will not achieve a 600-ship Navy?

Admiral Kelso. I think I also said that I believe we have to maintain a balance in our forces. Certainly, I believe we must maintain our power projection forces to carry on the peacetime commitments that this country has traditionally needed us to do. At the same time, I think we have to keep a balance of types of forces so that whatever might be used you have some available to train from or to build a base up from.

I think historically we have brought forces that we thought would be the capital ships of the next conflict, and it turned out another one was. Fortunately, we did have that balance. So I think we have to keep a balance of naval forces. I think it is important that we keep sufficient marine forces to maintain that capability and our amphibious capability. So across the spectrum we will have to try to do that, sir.

Senator McCain. Admiral, I am asking for your priorities if, indeed, as every member of this committee knows and most American citizens know, we reduce the size of our naval forces. Your answer, as I interpret it is, we will just cut some from amphibious, some from submarines, some from carriers. Is that right? You have no specific priorities as to the kinds of ships and weapons systems that we would like to maintain over others?

Admiral Kelso. I think the world into which we are going, the priority has to be to maintain sufficient power projection forces that we can deploy where we want in the world.

Senator McCain. How do you translate that into specific weapons systems and ships?

Admiral Kelso. I translate that into aircraft carriers and the kind of ships associated to travel with them. I translate that into surface ships that can operate in a kind of third world environment with the first world weapons that we see today. I translate that into submarines that have the capability to operate in a hostile environment where we do not have air and sea protection.

Senator McCain. Let me then try it another way. What naval forces do you feel have the lowest priority?

Admiral Kelso. I think it is, in my view, a reduction across the board to some extent. It may reduce more in one area than another as we go down. Time and what we are asked to do may drive us in that direction, but I do not think we have any type of forces that are obsolete today or that might not be used in a conflict. That is what I mean by a balance.

Senator McCain. The Marine Corps seems to lack any credible option other than the V-22. The V-22 is not asked for in the budget nor supported by the Navy. General Gray has stated the double sling variant of helicopter lift is unacceptable to the Marine Corps.

Do you have a view on that?

Admiral Kelso. I believe the Department of the Navy supported a V-22 up until the time the Secretary of Defense decided not to build the V-22 based on the fact that it did have a valid mission need with the Marine Corps. I do not think that has changed with anybody. It was just one of the cuts that the administration decided to make. I do not think the view of it has changed, Senator.

Senator McCain. Admiral Trost said in a speech that an officer in the Navy, in particular a Naval Academy graduate, "without deep technical knowledge will always be a wallflower in the ballroom of progress, and their success in the Navy will suffer accordingly." Then you went on to answer a question, "32 percent of the Naval Academy graduates are nontechnical majors."

Apparently from your answer you agree with Admiral Trost's statement; is that right?

Admiral Kelso. I would agree that it is often an advantage in any position, and in most positions in the Navy, to have the ability to understand technical matter. We live in a very technical world. Most of our ships are high tech, and the aircraft are high tech today. So it can be quite helpful to understand technical knowledge. There are people with various types of college majors that understand technical knowledge very well. So I agree that having technical knowledge can be of great assistance to you.

Senator McCain. If that is the case, then should we abolish those 32 percent who are nontechnical majors at the Naval Academy if they are always going to be "wallflowers in the ballroom of progress?"

Admiral Kelso. No, sir. I think there are people who are excellent naval officers who have not been engineers, for example. I have seen very fine officers, but most of them were people who studied on their own or took enough base courses in their education that they could understand technical knowledge. I think people should have an option as to what they might choose for a major within some limits.

Senator McCain. My time has expired, Mr. Chairman.

Along those lines, are you satisfied with the situation and the problems that we have had at the Naval Academy recently in a broad spectrum of areas from sexual harassment of women midshipmen to changing of grades to firing the head of a department and other problems that have become very visible in the media lately?

Admiral KELSO. No, sir, I am not satisfied with that. I would like to make sure that we do everything we can to make sure that we do not have sexual harassment and do not have the sort of hazing that has been there. We are looking into that, and I will do everything I can to create an atmosphere so that it does not happen.

Senator MCCAIN. Mr. Chairman, my time has expired. I had some additional questions——

Chairman NUNN. Senator McCain, let me suggest this. We will go to Senator Shelby and then Senator Wilson. I know you have some other questions. We will come back to you for another round before we take a break. Then if we need to have Admiral Kelso come back, we will. I will give you another round before we go to General Dugan's nomination. Senator Shelby.

Senator SHELBY. Admiral, welcome to the committee. You are no stranger around here.

You mentioned earlier that you are looking for great young people to come into the Navy. I believe that was your phrase. As the designated Chief of Naval Operations here I want to get your views on the Naval Academy situation.

Do you believe that where a young female cadet is chained to a urinal, pictures taken of her, taunted and so forth, that that is conduct becoming of future officers coming out of the Naval Academy?

Admiral KELSO. Senator, I do not condone that sort of thing anywhere in the Navy, the Naval Academy——

Senator SHELBY. We are speaking of this, now. We are not talking about anywhere. We are talking about the Naval Academy, of all places.

Admiral KELSO. I think that is wrong. We should not chain anybody to a urinal or treat anybody that way.

Senator SHELBY. Do you believe when conduct like this—and I think it is undisputed that that is what happened there back in December—that it was basically a whitewash of what happened? In other words, the female cadet that was treated that way, that was chained to a urinal, eventually resigned, and the people who did it are still there or will graduate, after having a few taps on the wrist—do you think that is the right message to send out to the young people of America and especially the fathers and mothers of females that want to go to the academy?

Admiral KELSO. Senator, I do not know all the details of this case. I believe that in any case you have to look at all the details before you can——

Senator SHELBY. Total details, I understand that.

Admiral KELSO. The particular punishment, sir——

Senator SHELBY. Wait a minute, Admiral. Just hold on a second. Total details, if that is the kind of conduct that happened, chaining a woman cadet to a urinal, is that something to be overlooked? Is that severe, in your opinion?

Admiral KELSO. I think that is severe. It should not be overlooked. I believe that we should take action on things like that to try to prevent them from happening in the future.

Senator SHELBY. What about someone who is a superintendent of the academy and this happens on his watch and he does very little that we know about or does the wrong thing. Do you think that man should be promoted?

Admiral **Kelso**. Sir, I do not think I can make a promotion judgment on this instance alone on the man. He had a whole career, also.

Senator **Shelby**. Sure. I understand that. Do things like this matter?

Admiral **Kelso**. They do matter, and everything we do should be taken into account as to a person's future promotability.

Senator **Shelby**. If you are confirmed by the Senate to this important job, what, if anything, are you going to do about looking into an investigation of the Naval Academy as it is run, the incidents that happen and so forth? I would like to know that.

Admiral **Kelso**. The Inspector General has already gone down and looked at the Naval Academy. He has made recommendations to the Board of Visitors. They have set up a group of people from the Board of Visitors to investigate. I am going to review what they find out and make a judgment as to what action I should take from there, sir, based on their recommendations.

Senator **Shelby**. Is this an important juncture for women at the Naval Academy considering what has happened there? I understand that there are 300 female cadets there.

Admiral **Kelso**. Yes. I believe there are about 100 per class.

Senator **Shelby**. Is this the right message for the Naval Academy to send to the American people?

Admiral **Kelso**. The message I would like to send from the Naval Academy is that for any young person there, woman or man, they are going to get a square, honest shake and going to be treated as any human should be. That is the message I would endeavor to try to make sure that we send.

Senator **Shelby**. Is chaining someone, man or woman—in this case a woman to a urinal—by other cadets the way that someone should be treated?

Admiral **Kelso**. No, sir. They should never be treated that way.

Senator **Shelby**. Is that the way anybody should be treated, especially a future naval officer?

Admiral **Kelso**. I think no one should be treated that way, Senator.

Senator **Shelby**. I would like to know what you are going to do about it, you and the Secretary of the Navy and the Secretary of Defense, because I have written them about that. From you, as the future Chief of Naval Operations—and I believe you will be there and I intend to support you—I want an investigation, and I want something done about that.

Chairman **Nunn**. Senator Shelby, let me just interject on that. This committee has asked the General Accounting Office to have a comprehensive review of that incident itself but, more importantly, the underlying question of how women are treated——

Senator **Shelby**. Biases, prejudices——

Chairman **Nunn**.——at the academies, including the Naval Academy. We have also asked them to look into the honor code violations. We have asked them to look into the firing of the particular individual in that case, the compromise of the exam and what was done about it. So we are doing a rather comprehensive look but particularly with regard to the question of how women are treated in the military.

Senator SHELBY. Absolutely. I commend the Chairman for that.

Mr. Chairman, I have also written twice to the Secretary of Defense and the Secretary of the Navy along the same lines as the questions I am asking the Admiral here this morning. I appreciate your leadership, and I am looking forward to Admiral Kelso's leadership in that area because I believe it will be forthcoming.

I would like to shift into another area, the homeporting issue.

What is your personal evaluation of homeporting as a strategic interest in this country?

Admiral KELSO. I think it is clear that as we come down in size that some visions we might have had in the past will probably have to be changed. With fewer ships you will not need as many places for them to berth At the same time, we have invested money in several areas for homeporting, and I think what we have to do now is take a look across the board and see where we are going and what we will need and make the right kind of recommendations and judgments to the Congress and to the administration as to what we need for homeporting in the future.

Senator SHELBY. Admiral, does the concept of homeporting—that is, to disperse our fleet wherever it might be, not to concentrate it—make sense strategically?

Admiral KELSO. It makes sense strategically. One thing about it that has always made sense is that one of our problems in the Navy is to getting enough reserve personnel, and by dispersing the fleet helps in that area.

I do not think that we would be able to honestly say Senator, that the vision we might have had when we were looking at building 600 ships can be the same today. There has to be less——

Senator SHELBY. In other words, maybe not all homeports but still some?

Admiral KELSO. I just do not see how we could have the same vision. We will not get the money, in my view, to do everything that we planned.

Senator SHELBY. Let me go back to your phrase, the "same vision". Are you saying your position has changed completely on the concept of homeporting?

Admiral KELSO. No, sir, I am not saying that it has changed. I think you had a rationale as you were building up the Navy that it would be smart to disperse some of it. I do not think you could support the same rationale today. To disperse without growing would not make sense to me.

Senator SHELBY. Are you saying dispersal does make sense?

Admiral KELSO. No, sir. I think dispersal does make sense, but I also have to live within a certain set of resources.

Senator SHELBY. The number of ships. But the concept of dispersal makes sense?

Admiral KELSO. The concept of dispersal makes sense, yes, sir.

Senator SHELBY. Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator Shelby.

Senator EXON. Mr. Chairman, I perceive some of the problems that Admiral Kelso has in this area. We are prepared to give up our homeporting port in Omaha, Nebraska just to alleviate the situation. [Laughter.]

Senator SHELBY. If the Senator would yield, I have always supported giving up the homeporting in Omaha.

Chairman NUNN. Thank you, Senator Shelby. I hope the spirit of generosity continues—[laughter]—and reflects the way the committee will be going, not letting parochial interests ever interfere with our judgments. Senator Wilson.

Senator WILSON. Well said, Mr. Chairman, and I know it will be closely followed by every member.

Admiral Kelso, not to belabor this point at undue length, but I think what you are hearing and the questions you are getting from Senator Shelby and others rightly reflects the view that the facts about this Naval Academy incident, as they have been reported, really demand more than a paper investigation.

You have a long and distinguished career. You have had a great deal of command experience, and obviously you know from that experience that the tone of the command is set by the commanding officer. So what you are hearing is a great deal of anxiety over conduct which, frankly, I think, if true, reflects on the ability of the people involved to serve as Naval officers.

This, in my judgment, exceeds just tasteless, sophomoric hazing and really goes to the whole point of our ability to attract quality officer candidates in all the services. Regardless of their gender, they should be subjected to very tough admission standards.

But this problem really has no place in the military. It is not part of anybody's tradition, and I think it should be dealt with very severely.

And what you are hearing is not just disgust, but impatience and concern. And, obviously, you will have to take active steps to correct it.

On another subject, you have indicated today that you think that instability in the Middle East may be a potential flash point. I happen to share that view. Let me, for the purpose of this question, take us back to the time when the *New Jersey* was standing off Lebanon.

We have recently been very much concerned with the apparently increasing ability of a number of Arab states to gain a missile capability, not just to perfect some kind of a nuclear mechanism, but to actually deliver a nuclear or a chemical or a biological warhead. That is of great concern to us in terms of our alliance with Israel, but it should also be a grave concern to us, as well, in terms of the deployment of U.S. forces.

And I cannot help but think of that example, if there had been the capability in the hands of some of the more radical Arab states, the range of the missiles that presumably they are either getting or presently possess could have put in peril the crew of the *New Jersey*. To the best of my knowledge, our surface ships do not have a capability to really withstand that kind of attack.

Is it your view that there is an urgent priority in terms of gaining the sort of anti-tactical ballistic missile defense that would be necessary to prevent subjecting the crew of a carrier battle group to that kind of an attack?

Admiral **Kelso**. Are you talking about a ballistic missile type attack, Senator?

Senator **Wilson**. Yes, I am.

Admiral **Kelso**. Well, certainly, if we evaluate in the future that they are going to be able to target accurately enough to hit our ships, we are going to have to look at a defense system against that. I do not believe that exists today.

And we have, of course, provided personnel protection, in other words, masks and that sort of thing, for people on board our ships. The DDG–51 is partially designed to have a protective part of the ship where you can get in.

But, yes, I think we would have to look at a future system if we saw that to be a prevalent type of attack in this Third World environment, so that we would have to take care of our people to do so. And we would have to evaluate whether the current surface-to-air capability would be effective in that role. And I am not prepared to answer that right now.

Senator **Wilson**. Let me suggest that you and this committee both need to examine that issue very closely. I do not think gas masks will sufficiently protect our forces. I think, unless we have the kind of surface-to-air capability that can dispose of these incoming warheads at some distance, we are faced with the virtual certainty of heavy casualties.

Admiral **Kelso**. I think mobility is probably a far more effective defense—in other words, the ability to hit the target precisely. Since you can move a ship at sea, it gives you a certain improvement on protection that you don't have with a fixed target, which is part of that equation, Senator.

Senator **Wilson**. Well, I think that is true, within limits.

Admiral **Kelso**. Yes, sir.

Senator **Wilson**. But I think that you are going to have to move faster than you are going to be able to move if you are standing off Lebanon and an air burst or a time burst were delivered to you.

Admiral **Kelso**. Yes, sir.

Senator **Wilson**. My point is very simply that I think that this lack of a defensive capability against ballistic missiles is an urgent priority, and not just for the defense of fixed targets, and not just for the defense of Israel, but for the defense of the U.S. military, and particularly, for power-projecting battle groups.

Mr. Chairman, we are, I hope, going to have, in response to the request from Senator Levin and myself, at some point, a hearing on the peril of ballistic missile proliferation in the Middle East. But it seems to me that there is a very urgent need for us to address that question, and do so just as early as possible.

Thank you, Admiral Kelso.

Admiral **Kelso**. Yes, sir.

Senator **Wilson**. Thank you, Mr. Chairman.

Chairman **Nunn**. Thank you.

I believe that completes our first round of questioning for those present.

Admiral, in the interest of time, I had asked you questions about the U.S.S. *Iowa* investigation and about the future of battleships. I had asked you questions about using battleships for presence, in lieu of, perhaps, a carrier battle group, and the reserve program initiatives, which we went into. These questions will be part of the record. I will make them part of the record.

[The information referred to follows the hearing record.]

Chairman NUNN. And I would call them to the attention of all the members, because I think the Admiral did spend a good bit of time and thought on the questions that I asked. I know there were others asked, and I do not speak to those. But I think you have given very good answers, and I am not going to go over that territory again.

But in reference to the *Iowa*, I hope that you will take a personal look not simply at the status now, because the Navy has done the right thing now in sort of suspending things and going back and doing a thorough investigation (and we hope you will make sure that it is thorough and that we get to the bottom of it, to the best we can, and that it is fair and impartial) but I hope you will also take a look at the Navy investigative capability and the techniques they are using. Because I think that is a very important matter.

When parties have their careers involved and parties that are deceased have their reputations involved with no one there to speak for them, the whole question of due process in these investigations needs to be examined, too.

And due process, as painful as it is at times, as tedious as it is at times, also has some safeguards in there, in terms of producing the ultimate truth. And I know the captain of the ship felt that he was not accorded the right to respond in the fashion that he felt was appropriate, since his own career was at stake.

So, I hope you will take a look at the underlying methods, too. And I know in every case you cannot go through that kind of adversarial proceeding, but I think in some of them there are such significant matters that you really need to do it.

Senator McCain, let me defer to you for your round. And again, I do not want to cut this short.

Senator Exon, do you have other questions?

Senator EXON. I just have one, but go ahead with Senator McCain.

Chairman NUNN. Senator McCain, we will ask your question, then we will go to the Air Force. And if need be, we will come back and ask Admiral Kelso to stand by and come back in about an hour. But we will defer to you now.

Senator MCCAIN. Thank you, Mr. Chairman.

Admiral Kelso, will you give this situation at the Naval Academy your personal attention?

Admiral KELSO. Yes, sir, I will.

Senator MCCAIN. And you believe that it is a situation that needs to be addressed at your level?

Admiral KELSO. Yes, sir, I do.

Senator MCCAIN. Do you believe that we should permanently maintain a carrier battle group in the Mediterranean?

Admiral KELSO. I believe, as the world is now, we need to maintain a carrier battle group in the Mediterranean, yes, sir.

Senator MCCAIN. The Persian Gulf?

Admiral KELSO. Not all the time, no, sir. Right now we have been in about half of the year.

Senator McCAIN. In your statement you mentioned that you did not see the requirement for a 600-ship navy. Do you have any ball park figure as to how many ships we do need?

Admiral KELSO. Senator, I would prefer not to give a number, because I think that number is going to be worked around. I really do not know a number until I know what we are going to be asked to do in the future. And that number is going to have to be shaped to that. And I also would not like to get the number with the notoriety that the 600-ship one had for the future. I would like to keep it to be flexible as to what we need to do in the world we live in.

Senator McCAIN. In your response to questions about the so-called maritime strategy, you state that it was developed by Admiral Forrest Sherman in the late 1940s. But then you go on to say, I fully agree the likelihood of our needing to apply this strategy in the foreseeable future is very small.

If that strategy and the need to apply it is very small, what strategy do you think we need to employ as justification for a navy?

Admiral KELSO. Well, I think the strategy that we are going to exercise in the period ahead of us is going to be more a strategy of deployments in various areas of the world where there are interests. We are going to be, I think, interested in what takes place in the Middle East because of the oil supplies in the Middle East, for a long, long time. Many are our allies. And the last time I looked, we were getting 20 percent of our exported oil from that part of the world.

I think what happens in the Middle East will continue to be important for us. I believe what happens in the Pacific will also.

So, at the same time, I think we have to look over our shoulder and see if what is taking place in the Soviet Union continues to be friendly, and if we see them continue to reduce their forces. And we have to remember that they are the only military organization in the world that can really threaten the vital interests of this country militarily today. And we have to keep sufficient forces so that if the situation changed there, we could deal with it to continue to provide deterrence.

Senator McCAIN. You agree that the likelihood of our needing to apply the maritime strategy is very small. Does this mean therefore——

Admiral KELSO. No, I believe our Nation's strategy, Senator, will always be somewhat a maritime strategy. Because any conflict that occurs we would hope is away from our shores. And when I said the "maritime strategy" in my answer to your question, I was thinking of the strategy that went along with the theory of containment.

Senator McCAIN. I understand.

Admiral KELSO. And I think that is very unlikely. But if we have to use military force, I think it will always be a forward strategy when you look at the United States, as to where we are talking from, so it would be maritime.

Senator McCAIN. I think you and I both understand the maritime strategy you are describing is the so-called forward engagement of Soviet forces.

Admiral KELSO. Yes, sir.

Senator McCain. And you state that you agree the likelihood of needing to apply that strategy in the foreseeable future is very small. Does that mean that you therefore believe there may be a need for a restructuring in the Navy, since the primary strategy, the likelihood of needing it is very small in your words?

Admiral Kelso. No, sir.

I guess I focused in the question more on a Soviet/U.S. confrontation. I think anyplace you pick for this country, where we have to use military force, in essence, if you are going to sustain conflict, it is going to be a maritime strategy which is applied, in the sense that you are going to need naval forces to support that conflict, either by making sure the convoys get there or making sure you can resupply and sustain those forces.

Senator McCain. In your statement concerning naval arms control, you stated, I can see no benefit to the United States to engage in naval arms control.

Does that put you in disagreement with the President?

Admiral Kelso. I do not believe so, sir.

Senator McCain. You do not believe there should be any negotiations on SLCM?

Admiral Kelso. No, sir, I agree with a negotiation on SLCM.

Senator McCain. You think there should be negotiation?

Admiral Kelso. Well, there is. I do not see how we can avoid negotiation on it. There is a legitimate question on SLCM.

Senator McCain. But you see no benefit to the United States to engage in naval arms control?

Admiral Kelso. I meant that I see no benefit to get into a tit-for-tat reduction of naval forces because I do not think that is to the benefit of this country.

Senator McCain. Thank you very much, Admiral.

Admiral Kelso. Yes, sir.

Senator McCain. Thank you, Mr. Chairman.

Chairman Nunn. Senator Exon.

Senator Exon. Mr. Chairman, I just have one more question. It is with regard to the strategic triad.

Admiral, given the remarkably changing world conditions, how serious do you think our strategic triad would be damaged if we stretched out the remaining suggested buys on the Trident submarine, or halted the construction of the Tridents with the 17 boats that are presently under construction?

Admiral Kelso. I have always said if you want to adjust the Trident program, probably the way to do it and still protect the capability, is to slow down how fast you build it. I think that is still true. It allows you to still have a very fine force. I am not saying I support slowing it down, but I think that is the way to do it, rather than to just cut it.

Senator Exon. Than to just chop it off?

Admiral Kelso. Yes, sir.

Senator Exon. Thank you.

I have no further questions, Mr. Chairman.

Chairman Nunn. Thank you, Senator Exon. Senator Warner.

Senator Warner. Thank you, Admiral.

Looking at negotiations in naval arms control, do you think that there are viable means by which we can achieve any verification, should they reach some finality on the SLCM issue?

Admiral KELSO. I have not seen any, Senator, that look like there is a reasonable verification means without having somebody intrusively go aboard and check all the places where you could store them. Verification has been the difficult issue with SLCM, and I think it probably will continue to be so, sir.

Senator WARNER. Well, I think we have made great strides in intrusive verification in other forms of arms control on specific items, INF being an example. And as we move into CFE and to START, there are essential elements of the verification procedures.

But it has always concerned me, as it has concerned you, that at sea in a ship it is different. And while the intrusive concept would seem to be able to apply just to SLCMs, it would mean that they could have access to other compartments aboard ship where there are certain types of military equipment that are not subject to the arms control regime, which would then be, in turn, subject to at least visual inspection.

Does that concern you?

Admiral KELSO. Yes, sir. I believe if you asked me to design a regime where I was absolutely certainly you did not carry those kind of missiles on a ship, then I would want to look at a lot of the ship. Because you could design a ship to put them somewhere where you did not think they would be, and to move them forward.

So I think you would have to look at a lot more than just where you might tell them, or they might tell you where those missiles were, to be absolutely sure that there were not any there.

Senator WARNER. Which means access, basically, throughout the ship?

Admiral KELSO. Which would mean access, I think, to much of the ship, yes, sir.

Senator WARNER. Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator Warner.

Admiral, you answered questions about the Goldwater-Nichols legislation and how it is working from your perspective as a CINC in your written answers, which will be made part of the record, without objection. Just in a short summary, what do you think are the best features of that legislation, as far as your perspectives are concerned? And are there any things that we need to contemplate making changes in that legislation?

Admiral KELSO. Well, from my perspective, I think that one of the great things that the Bill has done is to shorten our operational chain of command and the way that we have operated. In almost all cases where I have been involved, the commander—I have been a unified commander and a three-star fleet commander—worked directly for the CINC or the man was working directly for me, so that there was no filtering of information.

And I think that is a very strong point of the law.

There may be some changes I would recommend as time goes on with respect to how we implement some of the provisions of Title IV that make it difficult, such as the personnel area, and I will do so if I believe that is necessary, Senator.

Chairman NUNN. Overall, do you think that the changes in the law have been positive?

Admiral KELSO. Overall, I believe that the changes to the law have been positive, and they are having the effect which I believe you intended, and that you are getting very fine people assigned to unified staffs, and that sort of thing is taking place, Senator.

And I also believe that the operation of our forces in joint exercises and when we have actually used them has been facilitated by the law, and also we have very good cooperation with all branches of our Armed Forces.

Chairman NUNN. So, would it be fair to say, just from the point of view of the U.S. Navy, you believe that the Goldwater-Nichols legislation has been positive?

Admiral KELSO. Yes, sir, I believe it has.

Chairman NUNN. Senator Warner, have you taken note?

Senator WARNER. Yes, I have. Are we pending a referendum on this issue? [Laughter.]

Chairman NUNN. Well, Barry Goldwater keeps writing me, and I say every time Senator Warner is present we ask that question.

Senator WARNER. Well, I pledged allegiance to the flag to uphold the Constitution of the United States, and I mean to uphold it.

Chairman NUNN. Without objections, the answers that Admiral Kelso provided to Senator McCain's advance questions will also be entered into the record.

[The information referred to follows the hearing record.]

Chairman NUNN. Admiral, do you have anything else you want to say this morning?

Admiral KELSO. No, sir.

Chairman NUNN. We thank you for being here. We look forward to working with you. You have had a tremendous career in a period of great challenge to the U.S. Navy and for our national security and for our economic and fiscal policy in the world. We welcome you to this job. I think you are going to get, I hope, the unanimous approval of this committee, and we hope to move on it very quickly.

Senator WARNER. Mr. Chairman, I think the record should also reflect that Mrs. Kelso was a vital part for many years in making possible this hearing today—your nomination to become the chief—and as we all know——

Chairman NUNN. Is she here today?

Senator WARNER. ——No, sir, she is not, but as all know, the Navy wives play a vital role in making it possible for their men to assume positions of leadership like this. We want the record to reflect that.

Admiral KELSO. Thank you, Senator. She will be very pleased to hear that. I will pass that on to her, and I thank you, Senator, for the privilege of being before the committee this morning. Thank you.

Chairman NUNN. Thank you very much, Admiral.

[Whereupon, the committee adjourned at 11:19 a.m.]

[Prepared questions submitted to Adm. Frank B. Kelso, II, USN, by Senator Nunn prior to the hearing with answers supplied follow:]

DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON DC 20350 2000

IN REPLY REFER TO

8 June 1990

The Honorable Sam Nunn
Chairman, Committee on Armed Services
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Thank you for your letters of May 25 and June 6. I am enclosing responses to each of the questions you forwarded in those letters, and hope they will be helpful in your deliberations.

I am still working on the questions by Senator McCain and will forward the answers early next week.

The defense issues that will face our Nation in the next few years will be quite challenging. I look forward to the opportunity to discuss these issues with you and other members of the Senate Armed Services Committee on 14 June.

Sincerely,

Frank B Kelso II
FRANK B. KELSO, II
Admiral, U.S. Navy

Encl:
(1) Answers to committee questions

Copy to:
The Honorable John Warner
Ranking Minority Member

1. Vision for the Navy. If confirmed, you will have the opportunity to lead the Navy during a period of significant change and to influence the shape of the Navy as it approaches and enters the 21st century.

QUESTION 1A: What do you consider to be the most serious challenges and problems in the management and operation of the Navy?

ANSWER 1A: There have been significant changes in the political and military balance in the Western World. These changes have resulted in a lessening risk of East-West conflict and a widespread belief of a decreasing Soviet threat with greater warning time. At the same time, much of the world is in economic, political and ethnic turmoil which could create the inherent probability of uncertainty and regional conflict. Hence, I envision the need for a robust naval capability which is capable of being deployed to deter and influence regional conflict and crisis while at the same time maintaining a capability to deter Soviet use of arms should there be a leadership change which can not be predicted or foreseen. The challenge is to plan for the correct naval forces and resources to meet the above needs and to permit operational flexibility and deployment lengths which will provide naval personnel with an adequate quality of life. The challenge is to work for and reach a consensus as to the level of naval forces and resources needed to support United States security and interests in these changing times and at the same time maintain the esprit de corps and pride in our people. We must accomplish the above at the least cost to the nation and as we get smaller, strive for continued improvement in every area of the Navy. The most challenging problem will, I believe, be maintenance of the superb young people we have in our Navy today as we get smaller.

QUESTION 1B: What management activities and timetables would you establish to address these challenges and problems?

ANSWER 1B: The challenge of defining the changes that will take place in the Navy over the next few years will likely be continuous and affected by events which take place as well as resource allocations determined by our political process. I will strive to provide Navy programs and advice in a timely manner to help shape the future structure of our Navy. This challenge of maintaining the high morale of our people will likewise require continued work to provide quality leadership and training in all areas of the Navy. I will, of course, start immediately, if confirmed, to address any particular problems under review or investigation which face the Navy.

QUESTION 1C: What do you believe the Navy's highest priority should be in preparing itself for operations in the next century?

ANSWER 1C: My highest priority for the 90's is to improve the quality of our Navy as we decrease our overall numbers. We must retain and recruit the very best young people our country can make available, and we must thoroughly train and retrain them to ensure they possess the skills needed in one of today's most demanding professions. At the same time, we must ensure the demands we place on our people to meet our mission are reasonable.

QUESTION 1D: What do you see as being the major technology thrusts of your tenure?

ANSWER 1D: The Navy will need to continue a healthy technology base program to guard against technological surprise and to permit selection of the most promising technologies for future development into hardware and systems. The areas of critical interest will be space research, command and control systems, early warning and detection systems, sensor technologies for over-the-horizon targeting and submarine detection, stealth and counter-stealth. We should continue our efforts in superconductors and the new modes of propulsion it could bring. Bottom line is we should adequately fund R&D to maintain our technological edge and guard against technological surprise which could quickly change the balance of force capability.

QUESTION 1E: Admiral Trost has stated that ASW is the Navy's highest priority. Do you agree that this is the primary focus for the Navy given recent developments?

ANSWER 1E: I agree ASW will remain a high priority focus for the U.S. Navy. It could even increase as the military situation changes. The Soviets may, with the collapse of the Central European buffer states, put more emphasis on the interdiction of the sea lines of communication. Admiral Chernavin has recently alluded to this changing emphasis. If this turns out to be the case, they may even emphasize submarines more and that along with their having the largest submarine force in the world makes it most prudent, and I believe, very necessary that we continue healthy ASW research and maintain robust ASW forces.

2. The Navy's role in a changing world

QUESTION 2A: How does the changing world affect the role of the Navy in contributing to protecting our vital interests?

ANSWER 2A: The changes in the world reduce the risk of East/West conflict and increase the time required for preparation for conventional conflict in Europe. The risk of regional conflict, on the other hand, shows no similar change and, in fact, we may face increased uncertainty in several areas which are of strategic interest to the United States. By its presence, U.S. maritime forces have for most of the past forty-years assisted in maintaining stability in several regions of strategic interest such as the Mediterranean, Indian and Western Pacific Oceans as well as the Caribbean from time-to-time. These Navy and Marine forces have been very effective in deterring regional conflict and in most cases conflict has been avoided. It seems logical with the political instability which persists that maritime forces will continue to be deployed to provide a deterrent effect and represent United States strategic interests. Hence, I see a continued need for deployed naval forces to represent U.S. interests in regional areas of economic and political instability. We must also continue to maintain the naval capability in concert with our allies to prevail in a global conflict. Hence, I do not envision the role of the Navy changing greatly, but the force structure required will likely reduce as a result of reduced threat and fiscal reality. This may permit considerably more flexibility in deployment patterns and additional focus on a reserve status for some forces.

QUESTION 2B: How should the Navy be restructured to meet the new realities of the threats we face and live within the resources likely to be available?

ANSWER 2B: To protect our long term interests we must preserve the capability developed over the past two decades to prevail in a war with the Soviet Union, even as we adjust to current political changes. We must also maintain naval forces capable of protecting national interests independent of the Soviet Navy. To do both and live within available resources we must examine adjustments in the active/reserve mix, the manner in which we operate the reserves and in the way we deploy our active forces.

QUESTION 2C: Should there be, for example, relatively more emphasis on being able to lift Marine Corps forces for Third World contingency operations?

ANSWER 2C: When I speak of naval forces, I mean the Navy-Marine Corps team. It is the combination of capabilities inherent in the sea services that makes naval forces uniquely suited to a broad range of applications. I intend to work closely with General Gray to investigate every possible way in which this team can be made even more effective in the future.

QUESTION 2D: Often, we hear that the Navy has to meet forward deployment commitments. Could you explain what these commitments are and who levies them upon the Navy?

ANSWER 2D: "Forward deployed commitments" is a short-hand way of expressing the role traditionally played by naval forces in the protection of U.S. national interests and the stabilization of crisis-prone regions. Some have evolved over time in support of and to assist in training the navies of nations friendly to the United States. An example is the UNITAS Exercise which has been conducted for thirty-years with our South American neighbors. The commitments are an expression of U.S. foreign policy and economic interdependency. They are levied by our national policy-makers in the form of treaty obligations (NATO), assignment to Unified CINCs by the Secretary of Defense and occasional special deployments. The commitments are a reflection of the underlying principle that military force, to be of influence, must be on hand -- not necessarily continuously, but with sufficient regularity that nations within the region are persuaded of our interest and commitment. That naval forces fulfill the commitments is a reflection of their sustainability and capability to move and remain without dependence on the acquiescence of other nations.

QUESTION 2E: Should they be reduced in light of the changes taking place in Europe?

ANSWER 2E: I believe we can make some adjustments in our deployment patterns, and indeed will be required to do so as active force levels decline. We should not, however, pull back from our commitment to use naval forces as we have traditionally. We are a maritime nation and are respected as such throughout the world. Our friends and allies depend on our presence in their waters to guard the peace and provide assurance of equal access to the seas. To pull back is to leave a vacuum that likely will cause instability and resurgence of historical local conflicts.

QUESTION 2F: How do these commitments affect operational tempo and personnel tempo?

ANSWER 2F: Commitments, active force level and OPTEMPO/PERSTEMPO must be in balance to ensure our naval capability is maintained over the long term. A change in any of these elements will impact on the other two. In analyzing peacetime active force level requirements, the number of ships needed can be determined by applying OPTEMPO/PERSTEMPO limits against established commitments. History has shown us that we cannot expect to retain the people we need if we exceed these limits under conditions short of

declaration of a national emergency.

QUESTION 2G: To what extent can forces other than aircraft carrier battle groups be used to meet deployment commitments? (e.g., battleship groups, amphibious task forces, etc.)?

ANSWER 2G: The types of threats the Nation is most likely to face in the 90's will require two critical capabilities -- mobility and power projection -- precisely the capabilities of the Carrier Battle Group and afloat Marine forces. In any scenario that includes an airborne threat or one that requires air power projection ashore, the Carrier Battle Group is the appropriate and most effective unit of force. It is the only force which has the capability to positively identify hostile aircraft before reacting, which can be so very important in any regional scenarios with peace time rules of engagement. The Carrier Battle Group has proven its deterrent as well as offensive capability time and time again since the end of the second World War. There is no real substitute for the carrier. There are, however, lesser demanding and different threat scenarios which may be met by other naval forces. We can mix forces in several combinations to suit the purpose. A good example is the task force now poised off the coast of Liberia, standing ready to evacuate U.S. citizens. This task force is comprised of an LHA, LPD, LST, destroyer and an oiler. The LHA is carrying both AV-8B's and H-46 and H-53 helicopters. Embarked marines are trained and ready to conduct the operation ashore. This tailored force, sailed on short notice from the Mediterranean, has all that is needed to accomplish the task. It is a classic example of your Navy/Marine Corps team protecting U.S. interests in a situation that, without us, could pose a grave danger to Americans abroad.

QUESTION 2H: Are there opportunities for redistributing our "presence stations" to reflect a shift in emphasis away from the Soviet threat toward Third World contingencies?

ANSWER 2H: While specific U.S. and NATO maritime exercises have been devoted to addressing the Soviet threat, our deployment patterns have served numerous national interests apart from offsetting Soviet influence. We need to continue being seen throughout the world as ready to respond to threats to U.S. interests. So I don't believe there are any ocean areas from which we should withdraw. Because the Soviet presence outside their home waters has diminished, though, we have some more latitude in where and how often we put deployed forces. The important thing is our ships are seen often enough to influence perceptions and, when needed such as in Liberia today, are reasonably close at hand in sufficient strength to get the job done.

QUESTION 2I: Do you intend to revise the Maritime Strategy to reflect the substantial changes that have transpired since its publication:

ANSWER 2I: The Maritime Strategy published in the early eighties was a derivative of U.S. Naval Strategy formulated in the late forties by Admiral Forrest Sherman and NATO Forward Defense Strategy approved by all NATO nations in 1968. It is a good strategy for the purpose it was intended -- to defeat the Soviet Union in a global war. But I try to separate military strategy from policy. Military strategy needs a specific enemy and, though developed in peacetime, is applied during war. If we had a major conflict, a forward strategy is the only one that makes sense for a maritime nation.

But I do not expect a global conflict so the issue before us today seems more one of naval policy. What do we want our naval forces to do? How do we want them to operate? These questions are national policy issues with significant ramifications for U.S. influence in the world.

I believe we should maintain our naval presence in the world's oceans. At what level of forces is at issue as we adjust to our changing world.

3. The Marine Corps' Role in a Changing World

QUESTION 3: What do you see as the role for the U.S. Marine Corps, both in terms of overall national security and as a partner in the Navy-Marine Corps team?

ANSWER 3: The Navy-Marine Corps team provides our nation with a unique capability in the spectrum of warfare. Enjoying an unmatched combination of mobility and sustainability, the Marine Corps can fight their way in and support themselves indigenously with all they need to keep fighting for a minimum of 30 days without relief. As the Soviet threat recedes, this long established capability will continue to provide an essential option with which to respond to rapidly developing events in far reaches of the globe that have the potential to endanger U.S. citizens or national interests. Of particular significance is the capability of Navy Marine Forces to go to any location in international waters and to remain for long periods to support United States interests without political approval of any other nation. It is the sustained presence that has been so successful in deterring conflict while at the same time influencing the peaceful outcome. The Marine Corps continues to provide the nation's amphibious capability, which has in the past provided the expertise to train other amphibious forces when the need has arisen. The Marine Corps air-ground task force concept provides a critical capability to defend American interests.

4. Goldwater-Nichols Act

The Senate Armed Services Committee has a deep and continuing interest in the complete effective implementation of the Goldwater-Nichols Department of Defense Reorganization Act and the amendments to the Act relating to special operations forces and low intensity conflict.

QUESTION 4A: How would you describe the basic philosophy of the Act with respect to the operational command of the armed forces?

ANSWER 4A: Having just come from duty as a combatant commander of one of our unified commands, I believe I have a good grasp of what the Goldwater-Nichols Act intended--indeed, what is currently in practice.

My understanding of the Congress' intent in the Goldwater-Nichols Act was to clarify the command line to the combatant commanders and to preserve civilian control of the military. Both of these have been accomplished and are firmly in place today. The operational chain of command clearly runs from the President to the Secretary of Defense to the combatant commanders, who are assigned forces from the services to execute their warfighting missions.

The effective use of the nation's armed forces requires a unity of operational effort, especially in this era of declining defense resources. This was also accomplished by Goldwater-Nichols Act in giving the CINCs command authority commensurate with their responsibility to the President and the Secretary of Defense for all assigned missions. This command authority is termed "combatant command" or COCOM and resides only in the unified and specified commanders. Through his exercise of COCOM, the CINC can give authoritative direction to his forces on all aspects of military operations, joint training, and logistics. He can prescribe the chain of command within the command and he is authorized to organize and employ his forces as necessary to carry out assigned missions. This operational command concept as established by Goldwater-Nichols has enhanced the preparedness and effectiveness of our combat forces as evidenced in our successful operations conducted against Libya and in Panama, to name but two. Of particular importance, the operational chain of command has been greatly streamlined and the layers have been eliminated.

QUESTION 4B: What do you believe is the appropriate role of the service chiefs within this Act?

ANSWER 4B: As established in the Goldwater-Nichols Act, the Service Chief has two roles, that of a member of the Joint Chiefs of Staff and as Chief of Naval Operations. These positions provide an opportunity to lead a ready, well-balanced Navy that can contribute significantly to joint defense efforts in an era already marked by rapid, unpredictable change.

As a member of the Joint Chiefs of Staff, the Service Chief serves as a military adviser to the President, the National Security Council, and the Secretary of Defense to the extent specified by section 151(b)(2) of Title 10 of the United States Code. It is in this forum that he contributes directly to the unity of effort required for the effective use of our armed forces. Now that the dramatic changes in the world order are compelling a top to bottom reassessment of the U.S. military strategy, force employment procedures, and future roles and functions of the services, the CNO's role on the Joint Chiefs of Staff has never been more important.

As Service Chief, the Chief of Naval Operations is charged with providing professional, military assistance to the Secretary of the Navy in executing the assigned service role to organize, train, equip, and provide naval forces to the combatant commanders under the authority, direction and control of the Secretary of the Navy. This relationship supports the concept of civilian control of our nation's armed forces as was Congressional intent in the Act.

QUESTION 4C: Do you believe that sufficient attention is being paid to providing resources and planning for special operations forces and low intensity conflict?

ANSWER 4C: Yes. Completing the DOD special operations forces (SOF) revitalization effort will provide sufficient SOF for foreseeable contingencies. Upon completion of the revitalization, Navy SOF (the SEALs) will have increased its force structure by nearly 50% -- there will be six SEAL Teams and two Seal Delivery Teams fully manned by FY 92. We have also established the Naval Special Warfare Command and a NSW Center to provide individual training. Modernization of all classes of boats is also in progress.

Concurrent with the SOF revitalization, the CINC's have increased planning and training for Low Intensity Conflict. As I can confirm first-hand, establishment of the regional Special Operations Commands (SOCs) in support of the CINCs has much improved the ability to employ SOF forces.

QUESTION 4D: Are you fully committed to the complete and effective implementation of the Act and the special operations amendments?

ANSWER 4D: The DOD Reorganization Act of 1986 has been in effect for four years and its record is a successful one. I am firmly committed to its complete and effective implementation and to implementation of the special operations amendments.

As the Chief of Naval Operations, I intend to lead the Naval establishment in executing the spirit as well as the letter of the Act.

5. Title IV

QUESTION 5A: What are your personal views of Title IV?

ANSWER 5A: I have been fortunate for the past six years to command operational forces at three levels and participate directly in the effort to improve our ability to conduct joint operations. My experiences as Commander, Sixth Fleet convinced me of the importance of this effort and I support it fully. As a Unified Commander, I benefitted directly from Title IV provisions pertaining to joint duty. The quality of officers assigned to the USCINCLANT staff improved measurably during my tenure. Clearly, the improved quality of officers is enhancing our ability to plan joint operations and conduct effective joint training.

As with any complex legislation, we learn through implementation where the hard spots are and where improvements can be made. Drawing on my experience, I intend to work with General Powell to identify areas of this law needing improvement to better balance our need for specialized warfighting proficiency and broadly-based joint planners within our officer corps.

QUESTION 5B: Are you committed to insuring that the spirit and letter of Title IV is met?

ANSWER 5B: Yes.

6. Navy Reserves

QUESTION 6A: Do you intend to explore innovative ways of using the Navy Reserves to achieve the Navy's goals?

ANSWER 6A: Yes.

QUESTION 6B: What are your plans for increasing the contribution of the Navy Reserve program?

ANSWER 6B: I intend to explore ways to increase reserves which will be trained and available after a period of mobilization. With greater warning time, we will have more time to bring ships out of reserve status. The basic idea would have a few ships partially manned by active personnel to train reserve crews. As an example: one ship would be used to train several reserve crews and a set of ships would be laid up for activation and manning by these crews in case of a national emergency. This is an economical approach and protects the investment in ships which we have built in past years.

QUESTION 6C: Should the Navy place more ships and aircraft in reserve status?

ANSWER 6C: We will look at the right balance of active and reserve forces. The Navy must maintain adequate active forces to meet the deployed tasks of the nation's leadership. If we do not provide sufficient active force structure for this task, the retention of our people will decline and this has been proven in peacetime situations when we have over-extended our force structure with deployed tasks. Hence, as we adapt to future changes in how the Navy is deployed, we will also continue to try to adjust the active/reserve mix as required to maintain the Navy in the most economical way.

7. Relationship to Other DOD Officials

QUESTION 7: There have been many changes in recent years, both from legislative and administrative actions, in the relationship between senior DOD and Navy Officials. Should you be confirmed as Chief of Naval Operations, what would be your principal responsibilities to the Secretary of the Navy, the Chairman of the Joint Chiefs of Staff, and the Secretary of Defense?

ANSWER 7: The general responsibilities of the Chief of Naval Operations are well-defined in law. As a member of the Joint Chiefs of Staff, the Chief of Naval Operations is a military adviser to the President, National Security Council, and the Secretary of Defense to the extent provided in section 151(b)(2) of Title 10 of the United States Code. In working with the Chairman of the Joint Chiefs of Staff, who is the principal military adviser to the President, the NSC, and the Secretary of Defense, the Chief of Naval Operations is expected to provide his advice or opinions to the Chairman, including advice or an opinion in disagreement with or in addition to the advice of the Chairman, for presentation with the Chairman's advice. Subject to limitations stated in the law, the Chief of Naval Operations is to keep the Secretary of the Navy informed regarding military advice rendered by members of the JCS on matters affecting the Department of the Navy and significant military operations affecting the duties and responsibilities of the Secretary.

The Chief of Naval Operations is also responsible for presiding over the Office of the Chief of Naval Operations, the function of which is to assist the Secretary of the Navy in carrying out his responsibilities. This includes the responsibility to provide plans, advice, and recommendations to the Secretary, and to act as the Secretary's agent in carrying out approved plans and recommendations.

I would like to emphasize here, my personal commitment to providing my full support and best advice to our civilian leadership in the Congress, at all levels of DOD, and to the Chairman, JCS. I also intend to work hard to instill throughout the Navy organization this same commitment to teamwork with OSD and the other services. The years ahead are going to be exceptionally challenging as we adapt to reduced funding for defense. My primary responsibility, in support of Secretary Garrett, will be to provide common sense advice on where the Navy should fit into a restructured national defense. I take equally seriously the CNO's responsibilities as a member of the JCS in advising the Chairman and Secretary of Defense regarding the employment of our forces.

8. Strategy-Resource Relationship

QUESTION 8A: What role do you believe the Chief of Naval Operations should play in ensuring that the strategy drives the budget?

ANSWER 8A: I believe the Chief of Naval Operations should be the principal advisor to the Secretary of the Navy and to the Chairman Joint Chiefs of Staff as to what the Navy's role should be in our national military strategy. The CNO should work with these officers and other appropriate officials within the civilian leadership of the Department of Defense to obtain the resources needed to support the approved strategy or policy and in turn assist in attaining approval of these resources and explaining the rationale for the approved strategy in the Congress.

QUESTION 8B: What steps would you intend to implement, if confirmed, to enhance that process?

ANSWER 8B: I believe the mechanisms exist to make the process proceed and I will personally try to facilitate the process. There will be many varied requirements for resources which will complicate the conclusion and I will insure the Navy staff diligently supports the process and helps in achieving a consensus on both the policy and resources.

QUESTION 8C: As the former Commander-in-Chief, U.S. Atlantic Command, do you believe that the combatant commanders have sufficient influence on the PPBS process?

ANSWER 8C: Yes, I felt comfortable that my inputs were welcome and were considered. I also felt the access to the service and JCS staff work on PPBS improved each year.

9. Acquisition Process

QUESTION 9A: Are you familiar with Packard Commission recommendations and do you believe the Defense Department's implementation efforts have been effective?

ANSWER 9A: Yes, I am familiar with the Packard Commission recommendations and with the improvements envisioned both by the Packard Commission and by the Congress in the Goldwater-Nichols Defense Reorganization Act of 1986. Although the Department has made progress in implementing the prescribed acquisition reforms, Secretary Cheney in his Defense Management Report (DMR) of last July challenged the Department to redouble its efforts to realize the improvements contemplated by the Packard Commission and the Goldwater-Nichols Act.

The Department of the Navy has been and is making significant changes to its acquisition structure and processes. We streamlined the acquisition chain of command when we abolished the Naval Materiel Command in 1985, and we have greatly improved the quality of our acquisition personnel be establishing the very effective Materiel Professional Program, also in 1985. Further, we have led the way in the increased use of competition, multi-year procurements, and commercial specifications. In March 1990, Secretary Garrett established a new Assistant Secretary of the Navy for Research, Development, and Acquisition who now serves as the full-time Navy Acquisition Executive. We have established six new

Program Executive Officers and four Direct Reporting Program Managers (DRPMs) who will devote full-time attention to the management of 30 major defense acquisition programs. The PEOs and DRPMs will report solely and directly to the Navy Acquisition Executive on all matters of program cost, schedule, and performance and will have control of all program funding allocated to them by the DON Comptroller.

QUESTION 9B: In what ways will the DMR have a beneficial effect on the requirements and acquisition process?

ANSWER 9B: By streamlining the acquisition process, eliminating management layers, and establishing a cadre of quality acquisition professionals, we should see major improvements in achieving the cost, schedule and performance objectives of new weapon systems. Further, as a result of DMR, the Joint Requirements Oversight Council (JROC) chaired by the Vice Chairman of the Joint Chiefs of Staff, now plays a stronger role, not only in validating mission needs for major acquisition programs at their inception, but also in validating performance goals of weapon systems at each major acquisition milestone. The newly chartered role for the JROC will ensure that the user's perspective is considered throughout the acquisition process.

The DMR benefits will also spill over into the logistics arena. DMR Decisions address the cost and size of spare parts inventories and promote increased interservice cooperation in supply maintenance, fiscal and ADP functions. These should result in major reductions in the cost of the logistics tail associated with weapons system support.

QUESTION 9C: Do you believe that there are other steps that can be taken within the Pentagon to improve the requirements and acquisition process?

ANSWER 9C: Yes, in the current resource environment we must continue to pursue every opportunity to provide modern, capable weapons systems through the most cost effective and efficient means. I plan to work closely with the Secretary on the Navy and with the Assistant Secretary of the Navy for Research, Development and Acquisition to identify additional opportunities for improving the requirements and acquisition process.

As a related matter, I would like to reiterate two suggestions provided by Secretary Garrett in his confirmation hearings. Each would be of great benefit in supporting implementation of the principles of the Packard Commission and in improving the requirements and acquisition process. The first of these is creating a stable fiscal environment in which Program Managers can realistically plan and operate in a window longer than the annual budget cycle. This would require a reduction in the intensity of Congressional involvement in requirements for acquisition programs. The other suggestion is a reduction in oversight requirements during program execution. Program Managers should be given authority and autonomy commensurate with their responsibility, and must be permitted adequate time to manage their programs. These suggestions, when coupled with actions taken within DOD and the services to implement key aspects of the Packard Commission's recommendations, would stabilize requirements and enable top management to focus on program execution.

10. Joint Operations

You participated in operations involving the use of force against Libyan military forces which were conducted under the command and control of the unified combatant commander.

QUESTION 10A: How did the command and control under joint command work during those operations?

ANSWER 10A: USCINCEUR established a joint command for the duration of the joint Navy/Air Force strike on Libya. The command was established as Commander, Central Mediterranean Operations (COMCENTMEDOPS) and was provided for command of all forces within an established geographic boundary. Commander SIXTH Fleet was designated as COMCENTMEDOPS. COMCENTMEDOPS reported directly to USCINCEUR. All U.S. forces within the established area worked directly for COMCENTMEDOPS. Liaison officers were exchanged between all commands to facilitate planning and communications. The command and control arrangements as well as communications were both flexible and effective. They provided a single commander within the area who answered directly to the unified commander.

QUESTION 10B: Were the rules of engagement and the processes by which the ROE were formulated appropriate in your view?

ANSWER 10B: Yes, both the rules of engagement themselves and the process by which they were formulated were very appropriate. Clear, understandable rules of engagement were a major factor in the success of the operations and posed minimal constraints on tactical employment of forces. Face to face discussions, approval, and delegation of sufficient and timely ROE ensured that the commander, individual unit commanders and air crews understood exactly what actions could and could not be taken.

QUESTION 10C: What are your views on how well the joint operations worked in Panama?

ANSWER 10C: The Panama operation went extremely well, especially in the joint interoperability area. The lessons learned from past operations were put into practice.

The key strengths as I saw them were, first, the shortened operational chain of command, enacted in compliance with Goldwater-Nichols. The command and control structure worked well. Second, the activation and utilization of the joint task force went very smoothly. The refinement of the joint task force concept has taken service interoperability to a higher level. I look forward to ensuring continued success in this crucial area.

QUESTION 10D: Do you believe that enactment of the Goldwater-Nichols Act has let to improvements in conducting joint operations.

ANSWER 10D: Yes. We have made tremendous strides in operations in the joint arena since the Goldwater-Nichols Act was implemented.

Goldwater-Nichols establishes a clear command chain, making the combatant commanders directly responsible to the NCA for the performance of their assigned missions. With this responsibility comes the assignment of all authority, direction, and control necessary to execute that responsibility.

As I stated earlier, the successful operations against Libya and in Panama conclusively demonstrate that the operational command concept established by the DOD Reorganization Act has enhanced the readiness and effectiveness of our combat forces.

QUESTION 10E: In your capacity as CINCLANT, did you take any steps to improve the effectiveness of joint operations of forces under your command?

ANSWER 10E: Yes. My hope is that every step we took in the Atlantic Command was directed toward enhancing the combat effectiveness of LANTCOM forces in joint and combined operations. Executing "jointness" is a complex process dependent upon commitment to a comprehensive planning, training, programming, exercise, and evaluation continuum that affords our combat forces the full value of our POM/IPL process.

I believe the measure of our dedication to joint operations is best reflected in the creation and operational success of Joint Task Force Four.

Built on the foundation of jointness from the ground up, this organization has performed well under trying circumstances executing the new DOD counternarcotics missions and incorporating the talents and resources of USCG and Law Enforcement Agencies to provide the nation a standing force in the fight against illegal drugs. JTF-4 exemplifies the adaptability and flexibility of our forces operating effectively on the low end of the spectrum of conflict.

Another event that displayed the inherent value of LANTCOM's commitment to joint operational functionality was the disaster relief efforts following Hurricane HUGO. LANTCOM's rapid and effective response in support of Federal Emergency Management Agency, the Army's Director of Military Support, and local governments was possible only through the efforts of the LANTCOM staff and service component commanders, executing a complex joint operation.

At the other end of the operational spectrum, the importance of jointness is even more pronounced. Effective planning, interoperability, and joint doctrine are vital to the effectiveness of US forces and represent the foundation of our ability to operate with our allies in combined operations. To that end, we stress jointness in planning, equipping, and exercising LANTCOM forces. We stress joint interoperability in all exercises. Our recent Ocean Venture-90 exercise was evaluated as having the "most effective joint communications ever." In FLEETEX 1-90, we demonstrated our ability to share and effectively employ limited multiservice, as well as multinational organic assets. This aspect will become extremely crucial as defense resources diminish in coming years. In 1989, exercise UNITAS XXIX demonstrated our ability to operate effectively with allies throughout South and Central American Exercise Solid Shield 89 was specifically designed to test and promote joint interoperability. During this exercise, we conducted the largest Joint Logistics Over the Shore (JLOTS) effort ever attempted in a USLANTCOM exercise. We also refined the concept of a Joint Force Air Component Commander (JFACC) for employment in a maritime joint operation. Another major goal of our joint operations initiative was the integration of joint Special Operations Forces (SOF) into the Atlantic Command exercise program. We specifically tested the capabilities of SOF forces in numerous exercises in order to enhance their contribution to conventional forces and promote their successful utilization.

The final area I will discuss, and probably one of the most important, was the validation and verification of joint warfighting requirements to ensure compatibility in equipment and technology whenever possible across service boundaries. This was especially crucial from a unified CINC's perspective because that is where the compatibility problems come to light. We worked diligently with the service component commanders to ensure they were coordinating with each other on the joint program. One area we particularly emphasized was anti-jam, secure communications systems. In these areas, we ensured all fielded systems were compatible. Some of the other joint major programs we worked while I was USCINCLANT include TACIT RAINBOW, MK XV, LRCSW, AMRAAM, SINCGARS, and MILSTAR.

As I said at the outset, effective joint operations are critical to achieving success on the battlefield. Furthermore, by linking CINC and service requirements early, we can ensure the integrity and cost effectiveness of the POM/IPL process. For these reasons, I feel very strongly about ensuring the effectiveness of joint operations, and as CNO, I will continue to support this issue.

11. Counter-Drug Effort

There has been considerable debate as to the appropriate role of the Armed Forces in the national counter-drug effort.

QUESTION 11A: With your experience as CINCLANT, what is your view about the effectiveness of using various naval forces in the national drug interdiction effort?

ANSWER 11A: There is no question that the application of naval forces in conjunction with law enforcement assets has had an impact on illicit drug traffickers. There has been a discernible shift in trafficking patterns throughout the Caribbean due to the increased DOD and law enforcement agency presence there. The large number of conveyances at traffickers' disposal, however, allows them to alter and adapt their methods and routes in reaction to our efforts. As a result, we must continuously adjust the application of our assets in a given area. Naval forces are platforms that afford the flexibility to respond to the adaptive drug threat.

Although we have seen a number of aborted trafficking attempts, the deterrent effect of our detection and monitoring efforts is difficult to gauge. Both our presence in the Caribbean and our combined interdiction efforts provide a significant deterrent making the narcotics traffickers expend greater effort and cost to conduct their illicit operations. The Navy and DOD recognize that there is no black and white method to qualitatively measure the effectiveness of our detection and monitoring efforts. We continue to look for indicators that will allow us to improve our efforts in response to the drug problem.

QUESTION 11B: In what ways, if any, do you believe that the Armed Forces could contribute more to the counter-drug effort?

ANSWER 11B: As CINCLANT, I have had a first-hand opportunity to see the military role in the national drug interdiction effort greatly expand. We now devote over nine surface platforms for detection and monitoring operations in the Caribbean and Pacific supported by numerous maritime surveillance and airborne early warning aircraft. The Navy, in conjunction with the five supported CINCs for counternarcotics, is working towards the most effective application of assets assigned to drug interdiction. The Armed Forces have responded to their newly assigned counternarcotics missions with enhanced efforts across the entire spectrum of our support to law enforcement agencies. Good intelligence is most important to successful anti-narcotics operations. DOD intelligence assets are improving daily and we should continue these efforts. The Secretary of Defense has made clear that the detection and countering of the flow of illegal drugs into the United States is a high priority national security mission of the Department of Defense, and we have dedicated substantial resources to executing that mission effectively.

12. TRIDENT II Program

QUESTION 12A: At the moment, the Department of Energy (DOE) can produce neither the plutonium nor the tritium for TRIDENT II missile warheads. We have no high-confidence estimates of when the DOE facilities may be able to resume production. At what point does this shutdown affect the deployment of TRIDENT II missiles on your SSBNs?

ANSWER 12A: The shutdown will not affect the deployment of TRIDENT II (D-5) missiles on SSBNs. Mk4/W76 warheads (referred as "C-4 war-heads" in the question), currently used with TRIDENT I (C-4) missiles, are fully deployable with TRIDENT II (D-5) missiles. The difficulties the Department of Energy is having in its national security programs are of concern, and we will cooperate with DOE to resolve those difficulties.

QUESTION 12B: What can the Navy do to manage the effects of this shutdown?

ANSWER 12B: There are adequate Mk5/W88 warheads to fully outfit the first two TRIDENT II (D-5) submarines (eight warheads for all 24 missiles in each ship).

If production problems continue past April 1991, TRIDENT II (D-5) submarines will deploy with missiles carrying both Mk5/W88 and Mk4/W76 warheads.

QUESTION 12C: Can you use C-4 warheads on the TRIDENT II missiles?

ANSWER 12C: Mk4/W76 warheads are fully deployable on TRIDENT II (D-5) missiles and have been successfully flight tested with the TRIDENT II (D-5) missile.

QUESTION 12D: What constraints would that introduce for SSBN operations?

ANSWER 12D: SSBN operations would not be constrained by the production problems.

QUESTION 12E: In light of all of these problems in producing warheads for TRIDENT II missiles, shouldn't we look seriously both at slowing the production rate for the missiles and at deferring the next TRIDENT submarine for one year?

ANSWER 12E: Since Mk4/W76 warheads are fully deployable on TRIDENT II (D-5) missiles, there are alternatives to the problems with production of Mk5/W88 warheads. Hence, deferring the next TRIDENT is more a fiscal issue than an issue of lack of warheads.

13. Accountability

QUESTION 13: The Navy has experienced a significant number of recent mishaps that led to the unprecedented stand down of all Navy ships and shore activities. Some have charged that the Navy has abandoned the concept of accountability on the part of commanders and commanding officers. You have direct knowledge and experience in these matters. How would you respond to these charges?

ANSWER 13: I believe that we continue to hold commanders and individuals accountable for their actions and that this accountability is understood by our officer corps and petty officers. I also believe that we try very hard to administer our justice fairly and humanely. We perhaps from time-to-time err in our judgment. We try to look at each case individually and render judgment on that case and that individual. My experience has been that we do hold our people accountable.

14. USS IOWA

QUESTION 14: The Committee is conducting a series of hearings and is utilizing the assistance of GAO and Sandia National Laboratories to inquire into the most serious of the Navy's recent mishaps, the April 19, 1989, explosion on board USS IOWA. At this time, it appears that the explosion my have been caused by an accident. It has been suggested by the media that the Navy's investigation, that placed blame on a crew member, may have been so rushed and so focused on finding a specific cause for the explosion that other plausible causes may have been neglected.

a. How would you respond to those suggestions?

b. Are you committed to insuring that the Navy does all that can possibly be done to look at the possible accidental cause identified by Sandia National Laboratories?

c. Can you describe the specific steps that you would take to follow-up on the Sandia and GAO findings?

d. Are there any lessons, in your view, that can be learned from the Navy's investigation in this case?

ANSWER 14: While I have not read the entire IOWA investigation, it is my understanding that considerable technical effort and expertise went into the testing and analyses which were the basis for many of the original findings. At the time he signed the report of investigation, the investigating officer endeavored to establish a reasonable basis for ruling out any possibility of accidental cause and relied in good faith upon extensive technical testing and what was considered to be convincing evidence of the existence of foreign debris in the rotating band. As is the case in all major incidents, there was a conscientious effort to balance the interests of the public, particularly the families of the victims, in receiving an expeditious explanation with the need to ensure that a thorough investigation was undertaken. I hope that was the case. In view of the Sandia theory, however, I would like to reserve final judgment until all testing is completed.

The IOWA matter was further complicated by the collateral criminal investigation which was later joined together with the basic investigation. It also might have been helpful if the basic investigation were more structured or formal in nature. We are reviewing whether changes need to be made to the guidance provided for the conduct of administrative fact-finding bodies to ensure the objectivity and fairness of the process while fulfilling the basic fact-finding purposes of such investigations. Administrative fact-finding bodies (JAG Manual investigations), which serve to provide convening and reviewing authorities with information essential to the efficient operation, readiness, and administration of the Navy, are intended for internal Navy use and are admittedly circumscribed in nature. However, it is imperative that the integrity of the Navy's investigative process be preserved and that safety and accountability, as well as other lessons learned, be derived in the fairest, most accurate process available.

In regard to the cause of the explosion on USS IOWA, external testing indicates that further examination should be conducted of a theory that an ignition could have resulted from an accidental cause. The Secretary of the Navy and the CNO have directed that further testing and analysis be done in concert with external input from Sandia and other sources. I am totally committed to ensure that the Navy does all that can be done to revisit all applicable issues concerning the IOWA. I am being kept informed on the progress of those efforts, which are extensive. These include a technical oversight panel convened by COMNAVSEASYSCOM to analyze: the gunpowder-related issues; the rammer speed and the degree and significance of the length of the overram; the existence of foreign matter, if any, in the rotating band. We will continue to evaluate all new information, conduct additional tests, examine the conclusions, and take appropriate action. We owe it to our sailors and operators, as well as the families of the victims and the public, to continue with an exhaustive and thorough testing as is humanly possible.

15. Command Assignments

QUESTION 15: There have been media reports that command assignments in the Navy have been going to personnel with demonstrated bureaucratic and policy expertise rather than those with operational experience and that this has been a contributing factor to the recent spate of accidents.

ANSWER 15: Navy operational command assignments are based solely on a highly competitive, formal screening board process. To be selected for assignment to command, a candidate must have served successfully in operational department head and executive officer billets. Keen competition results in selection of only those officers with distinguished operational performance in their warfare specialty. The normal officer career path for warfare specialists is to rotate between sea and shore assignments. Because assignments to Washington DC are considered desirous and are extremely competitive, only those officers with the best records are assigned. Subsequent to a normal duty tour in Washington DC front running officers, who by virtue of their demonstrated operational expertise are selected for command, are frequently assigned to sea duty in command of operational units. Today, Naval officers selected for command of operational units consistently bring with them 10 to 12 years of operational experience and demonstrated excellence in their warfare specialty.

We are, as I've stated in response to other Committee questions, working hard to comply with the many provisions of Title IV of the Goldwater-Nichols Act. We are not, however, diluting the experience and tactical expertise of those who command our ships and squadrons as we do so. Assignment to command at sea remains the hallmark of our line officers who are on the path to success in their careers and they must have the proper experience and training before they take command. I will ensure this continues.

16. Strategic Homeporting

QUESTION 16: One of the major initiatives of the 1980s was the expansion of the Navy's homeport system through the construction of new ports, primarily on the northeast, northwest and Gulf coasts. The rationale for this initiative was the planned increase of the fleet to 600 ships and the operational need for dispersal. While the original strategic homeporting plan has been modestly reduced through action of the Base Closure Commission, the majority of the new homeports are well under construction. In the meantime, the size of the fleet has been declining and some capital ships, which were central to opening some of these new homeports, have been designated for retirement. For example, the Staten Island homeport, almost now complete, will not get the battleship it was intended to support.

a. Do you intend to critically evaluate the strategic homeporting plan in light of these developments?

b. Do you believe that the Navy should be looking at not only the sunk costs of homeport development, but also the long term operating costs of a dispersed fleet?

ANSWER 16: We are well into the process of evaluating the strategic homeporting plan in light of all the developments mentioned. We are examining all aspects of the relationship of the shore establishment to force structure. The military utility, the cost to own and operate each base, and the cost to close or realign are being carefully assessed. In the case of the strategic homeports, we are evaluating the continued investment into these homeports vis-a-vis retaining the ships in existing homeports. Sunk costs are a factor, but the long term benefit is the prime consideration. Adjustments in our shore infrastructure appear certain given the projected defense funding. If force levels decline, the shore establishment, including the number of homeports, might also be expected to decline.

17. Sealift

QUESTION 17A: For decades, we have understood the need to provide more capability to lift our combat and support forces. Sealift is a very important component of this capability. Inadequate sealift now, and the likelihood of further declines in the future, is a serious deficiency in U.S. capability which undermines our geostrategic posture. What specific actions would you take to correct this situation?

ANSWER 17A: I wish that I could provide a rational and economically feasible answer to this question but a program to provide adequate sealift and a viable American merchant marine has eluded us for some years now. The Navy has invested $7 billion dollars in the 1980's to improve our strategic lift capability. I do not believe continuing to buy ships which are laid up waiting to be used and hiring crews to wait to man them will solve our lift problems in the long run. It is not economically feasible. The long term solution to defense sealift needs is the revitalization of the commercial merchant marine. I am willing to assist and participate in finding a solution which will provide for this most important asset.

QUESTION 17B: What do you believe the appropriate Navy role should be in implementing the National Sealift Policy?

ANSWER 17B: Under the Policy, the Department of Defense determines the requirements for sealift of deploying forces, follow-on supply and sustainment, and shipbuilding and ship repair required for mobilization, and is tasked to promote the incorporation of national defense features in new and existing ships. The Navy will fully participate in these efforts. As required by the policy, the Navy will also operate in peacetime the minimum number of sealift ships needed to meet the Joint Chiefs of Staff's exercise requirements and shipping requirements that cannot be accommodated by the U.S. flag commercial ocean carriers. To ensure that such carriers operate adequately sized fleets of military useful ships requires implementation of National Sealift Policy initiatives.

QUESTION 17C: Why did the Department of the Navy propose reprogramming the fast sealift research and development funding provided in the FY 1990 Defense Authorization?

ANSWER 17C: Decisions to seek reprogramming of funds are made by the Office of the Secretary of Defense. At the time of that reprogramming decision, the Navy was not in a position to initiate a meaningful research and development program in a way that would ensure the most effective utilization of scarce budget resources. The reprogramming to higher defense and economic priorities was undertaken outside the Department of the Navy. Despite the reprogramming, we have progressed in developing an integrated Sealift Technology Development Plan that will be completed later this year.

QUESTION 17D: Vice Admiral Paul Butcher, Deputy Commander, U.S. Transportation Command (USTRANSCOM), recently proposed creation of a separate budget funding line for strategic lift forces to correct strategic lift problems in air, surface, and sea capability. Presumably this funding would be controlled by USTRANSCOM. What is your view of this proposal?

ANSWER 17D: Providing afloat forces for strategic sealift is a Navy function, to which the Navy has devoted considerable resources and effort and in which we have achieved obvious results. Vital as strategic lift may be, it cannot and should not be pursued independent of the force structure it is required to lift. A separate budget funding line would have just that effect. Strategic lift must be prioritized within the Department of Defense and Military Department budgetary process to ensure balance is maintained between forces to be lifted and lift capability. The preferred relationship is for USCINCTRANS to represent the requirements side of the acquisition process, while budget funding to meet those requirements remains with the military departments.

18. Naval Academy

QUESTION 18A: There have been recent allegations of: (1) academic manipulation of the Engineering Department by the Naval Academy administration, (2) possible compromise of the final engineering exam, with inappropriate response by the administration, (3) sexual harassment of a female midshipman, with unknown administration response, and (4) procedural irregularities in the processing of separation actions for alleged misconduct in certain disciplinary cases. (a) What actions do you intend to take to clear up these allegations?

ANSWER 18A: The Chairman of the Academy's Board of Visitors has set up a special subcommittee of the Board of Visitors to review the allegations concerning sexual harassment. That subcommittee is now assessing conditions at the Academy.

Separately, the Secretary tasked the Navy's Inspector General to conduct an urgent review of conditions at the Academy. His effort was completed in May and the Secretary has asked the Board of Visitors to expand the focus of its effort to include the Academy's Conduct System and Honor Concept. I want to review the results of the Board of Visitors' work before making any recommendations regarding the Academy to the Secretary.

QUESTION 18B: Do you believe that these current allegations are evidence of some systemic problem(s) at the Academy?

ANSWER 18B: I feel that I should reserve final judgment until I've had an opportunity to review the results of on-going examinations into the Academy's operations and policies.

[Prepared questions submitted to Adm. Frank B. Kelso, II, USN, by Senator McCain prior to the hearing with answers supplied follow:]

DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON DC 20350 2000

12 June 1990

Dear Senator Nunn:

Enclosed, please find the answers to Senator McCain's questions forwarded to me in your letter of 6 June.

Again, I look forward to appearing before your committee on the 14th.

Sincerely,

Frank B. Kelso II
FRANK B. KELSO, II
Admiral, U.S. Navy

Encl:
(1) Answers to Senator McCain's questions

QUESTION 1: Could you provide your views on the evolution of the Navy's maritime strategy since 1980, and describe your role in the evolution of that strategy?

QUESTION 2: To what extent did that strategy call for forward engagement of Soviet forces? Exactly what kind of forward engagement was called for, and what was and is your opinion of the risks created by such a forward strategy?

QUESTION 3: How has your opinion of the need for, and risks of, a forward strategy changed in the last two years? How do you feel such a strategy should change in the future?

ANSWER 1, 2, AND 3: (This answer responds to questions one, two and three) The Maritime Strategy published in open sources during the early 80's is a derivative of maritime strategy developed by Admiral Forrest Sherman in the late forties and NATO's forward strategy approved by all member nations in 1968. The strategy is a good one for the intended purpose -- to win a war with the Soviet Union, and is still relevant in the global conflict context. It is a simple fact that without increasing our force structure to a prohibitively expensive level (the U.S. and UK in 1942 estimated more than 1300 escorts would be needed to protect convoys from fewer than 50 U-boats) a forward strategy reduces the risk to reinforcement and resupply Europe.

Since its publication in the early 80's, the Maritime Strategy has been hotly debated. Navy proponents as well as critics have cited the strategy in their arguments on everything from the number of CV's to the level of troops in Europe. More recently, some have argued that the strategy is no longer relevant in view of the changing political scene. I fully agree the likelihood of our needing to apply the strategy in the foreseeable future is very small. But, this does not mean there is a better strategy to have on the shelf than the one we've developed to match the realities of relative naval capabilities and geography.

The strategy calls, really, for the U.S. to meet its obligations under the NATO treaty to not cede NATO territory in the event of conflict. We would have to move forward into the Norwegian Sea and Northeast Atlantic to assist SACEUR in the defense of Norway and the Northern Flank. Without naval forces to establish air superiority, NATO's defense plans would be placed in serious jeopardy. If the Soviet Union were to establish operating bases in Norway, as Germany did during World War II, UK air would become hard-pressed to support SACEUR. Iceland would become vulnerable and the ASW problem would become enormously more difficult. We could not support the Northern Flank without going forward to the Norwegian Sea. It is considerably less risky to our Nation's security than any other strategy developed to support NATO in a conflict with the Soviet Union. The forward strategy does not dictate specific engagements or commit us to going after the Soviet heartland. These are decisions that must be made by the political and military leadership actually conducting the war. In fact, NATO's approved strategy is a defensive one and does not contemplate the taking of territory.

The strategy does not dictate continued forward deployment of naval forces and we only exercise forward deployed naval forces in the Norwegian Sea about one week per year. As the Soviet threat recedes and as the CFE agreements proceed, it is clear the level of forward deployed land forces will decrease significantly. The reduction in forward deployment is militarily acceptable because the threat is reduced and warning time has increased, but I believe the forward defense strategy remains valid for the United States and NATO. Should there be a general conflict in Europe, it seems to me a forward strategy is required or we would likely repeat the scenarios of the other general European wars in this century.

I have not had a direct role in the formulation of the Maritime Strategy as it was basically in place long before I reached flag rank. I did participate in preparation of view graphs which supported the articulation of the strategy. I have also had the privilege to practice different aspects of the strategy, in our exercises, and help validate and refine the tactics and logistics we would need to execute the strategy.

QUESTION 4: Could you provide your views on the evolution of the requirement for a 600 ship navy? Could you describe your full understanding of each step involved in the threat analysis, planning, and validation of that requirement, and your opinion of each step in the process. To what extent do you feel that the precise figure of 600 ships was a valid requirement? To what extent do you feel that 600 ship figure has changed?

ANSWER 4: The 600 ship Navy was developed in the context of the world situation as it existed in the eighties. It was a consensus of the thinking of the Defense leadership and endorsed by President Reagan as a realistic number to meet our national security requirements. The number has been debated throughout the past decade, with well reasoned arguments for a larger or smaller number. These arguments, most of them valid, hinged upon affordability, threat assessment and numerous other factors. Ultimately, the affordability question dominated the debate and we never reached 600. That doesn't mean the requirement wasn't valid, nor does it mean the articulation of such an impressive goal didn't serve an important role in Moscow's change of direction witnessed over the past several years.

I can not now nor could I ever provide a conclusive argument acceptable to all that 600 ships were precisely what was required. I do believe around 600 ships was a reasonable number given the scenario and threat existing when the number was articulated.

Today, it is clear the American people do not believe the investment needed to reach and maintain a 600 ship Navy is justified by the world situation. I share this assessment. The U.S. must remain the foremost maritime power in the world and I am committed to this goal. But we will not be able to afford 600 ships. Something less is in order. I am not bringing with me a specific number to replace the 600 figure, but intend instead to carefully review all factors bearing on the defense debate and offer Secretary Garrett, General Powell and Secretary Cheney my best advice on what we need to perform our mission as economically as possible.

QUESTION 5: Could you discuss your view of the current and probable future need for each category of naval nuclear weapons?

ANSWER 5: Naval nuclear weapons - strategic and theater - deter. In an era of arms control, they play an increasingly important role in nuclear deterrence; therefore, they will be an essential element of the national military strategy for the foreseeable future. Our SSBN force is the linchpin of strategic deterrence and stability, satisfying the criteria essential in a START-reduced nuclear force: survivability, responsiveness, flexibility, mobility, endurance, hard target kill capability, and cost-effectiveness. Theater nuclear weapons at sea - strike bombs, depth bombs, and land attack cruise missiles constitute a dispersed, mobile, flexible, survivable force; this credible warfighting capability forces additional uncertainty into the potential nuclear aggressor's planning. Holding at risk vital enemy assets both at sea and ashore reduces any incentive to initiate nuclear attacks, especially at sea, therefore strengthening deterrence.

QUESTION 6: What is your view of homeporting? What economies do you feel we could make by cutting back on this program?

ANSWER 6: We are well into the process of critically evaluating the strategic homeporting plan in light of projected fleet reductions. We are examining all aspects of the relationship of the shore establishment to force structure. The military utility, the cost to own and operate each base, and the cost to close or realign are being carefully assessed. In the case of the strategic homeports, we are evaluating the continued investment into these homeports vis-a-vis retaining the ships in existing homeports. Sunk costs are a factor, but the long term benefit is the prime consideration. Adjustments in our shore infrastructure appear certain given the projected defense funding. If force levels decline, the shore establishment, including the number of homeports, might also be expected to decline.

QUESTION 7: What steps do you feel need to be taken to protect the military personnel and their families who are forced to leave military service as a result of the reductions in defense spending?

ANSWER 7: There are a number of proposals the Navy is working on which will provide assistance to personnel involuntarily separated. With DOD, we are participating in a Transition Assistance Management Program steering group to review proposed legislation and to explore several options for our members.

I am fully supportive of separation pay for active duty enlisted personnel, to give them the same benefit enjoyed already by officers and reserve enlisted personnel. Separation pay is intended to compensate involuntarily released careerists for their loss of retirement benefits, and to ease their transition into civilian employment. Although the other services are planning involuntary force reductions, our goal is to reduce the size of the Navy through voluntary attrition and reduced accessions rather than involuntary releases to the maximum extent possible.

Unemployment compensation now available to military personnel is lower than that offered to other workers. As we reduce our armed forces, many military families will find it hard to seek work in the places they may want to make their homes as they compete with civilians who already live there. Many military families forced to leave the service will lose two wage earners, not just one.

I believe we should consider a federal hiring preference for our involuntarily separated personnel, and extending medical care for 90 days after separation for our members and their families. Extending education benefits to our involuntarily separated personnel is another area we should consider. Extending commissary and exchange privileges for a limited period after separation may assist in easing the transition to civilian life for involuntarily separated personnel.

The Navy, along with the other services, and in cooperation with the Departments of Labor and Veterans Affairs, developed a pilot program that began in May at 22 installations in 7 states. Called the Transition Assistance Program, 3-day workshops provide career guidance and labor market information to separating military personnel. The program teaches service members how to assess their job skills, abilities and knowledge. Each service member can access an automated labor market data base that matches his/her military occupation code against a geographic area, producing a printout of employment, business, industry, government, income, housing, school, and community information. The program is scheduled for expansion in FY-91 to an additional 30 sites.

QUESTION 8: What major changes do you foresee in the U.S. Navy during the next decade?

QUESTION 8A: What major changes do you feel are needed in the current mix of forces and in roles and missions within the Navy?

QUESTION 8B: What priority do you give to power projection, and the forces involved?

QUESTION 8C: What are the maximum levels of cuts in each major area of the Navy's force structure that you currently foresee as being safe to make over the next five years?

9. The most pressing single issue you are likely to face during your tenure is how to simultaneously carry out major reductions in U.S. forces and change U.S. strategy, force structure, and the role and missions of our forces. Could you provide your thoughts relating to the following issues:

QUESTION 9A: The major changes in U.S. strategy, force structure, and roles and missions you feel should be made if START and CFE are signed and the current trends in the reduction of the Soviet and Warsaw Pact threat continue?

QUESTION 9B: The changes that need to be made in U.S. power projection and maritime strategy?

QUESTION 9C: The strengths and weaknesses of the current organization and operations of the Office of the Joint Chiefs of Staff and the military services in supporting effective changes in strategy, roles and missions, and the allocation of resources by service and role and mission?

ANSWERS 8, 8A, 8B, 8C, 9, 9A, 9B and 9C: The changes in the world reduce the risk of East/West conflict and increase the time required for preparation for conventional conflict in Europe. Implementation of CFE and START agreements will further this improved condition. The risk of regional conflict, on the other hand, shows no similar change and, in fact, we may face increased uncertainty in several areas which are of strategic interest to the United States. By their presence, U.S. maritime forces have for most of the past forty-years assisted in maintaining stability in several regions of strategic interest such as the Mediterranean, Indian and Western Pacific Oceans as well as the Caribbean from time-to-time. These Navy and Marine forces have been very effective in deterring regional conflict and in most cases conflict has been avoided. It seems logical with the political instability which persists, maritime forces will continue to be deployed to provide a deterrent effect and represent United States strategic interests. Hence, I see a continued need for deployed naval forces to represent U.S. interests in regional areas of economic and political instability. We must also continue to maintain the naval capability in concert with our allies to deter a global conflict. I do not envision the role of the Navy changing greatly, but the force structure required will likely reduce as a result of reduced threat and fiscal reality. This may require considerably more flexibility in deployment patterns and additional focus on a reserve status for some forces.

I believe we should maintain a balanced naval capability to respond to various conflict scenarios. I think we will continue to need a balanced force structure. History leads me to believe it is difficult to predict what future scenarios we may be called to respond to and, in general, a balance of forces has been important so the type of force needed is available.

To protect our long term interests we must preserve the capability developed over the past two decades to deter war with the Soviet Union as we adjust to current political changes. We must also maintain naval forces capable of protecting national interests independent of the Soviet Navy. To do both and live within available resources we must examine adjustments in the active/reserve mix, the manner in which we operate the reserves and in the way we deploy and operate our active forces.

Within our active force structure, power projection will probably increase in importance. Carrier aviation, Tomahawk capable surface combatants and submarines, and amphibious task forces are particularly suited to respond to the type of Third World conflict in which we could find ourselves. The numbers we need in today's world are being worked hard within DOD and, if confirmed, I expect to make an input to this process. I intend to emphasize the importance of maintaining sufficient numbers to preserve our traditional presence role while protecting OPTEMPO/PERSTEMPO goals.

The Department of Defense will be greatly challenged in the years ahead to restructure our armed forces. The Navy is but a part, though an important one, of necessary deliberations. I believe that the current JCS organization, under the leadership of General Powell is up to the challenge and that Secretary Cheney will provide the decisive direction required to make the difficult decisions to be faced. If confirmed, I will do my best to present the needs for the Navy in the process.

10. There are several controversial issues that now seem likely to have a critical impact on our future force posture. Could you provide your personal views on the following issues:

QUESTION 10A: The prospects of further cuts in our carrier forces?

QUESTION 10B: The prospects of further cuts in our battleship forces?

QUESTION 10C: Restrictions or reductions in our numbers of SLCMs?

QUESTION 10D: Cuts in the total Navy equivalent to 100 or more ships?

QUESTION 10E: The need to preserve heavy armored forces in Europe and as reinforcements for NATO after withdrawals following a CFE treaty, and for naval fores and sealift to support this mission?

QUESTION 10F: The major non-NATO contingencies for which we should plan and how the planning priorities for these contingencies will change after a CFE and START treaty?

QUESTION 10G: The merits and risks of naval arms control negotiations?

QUESTION 10H: The priorities that should be given to DOD funding of airlift and sealift?

ANSWERS 10A, 10B, 10C, 10D, 10E, 10F, 10G, and 10H: Assuming the current favorable trend in changes in the world situation continues, and recognizing the fiscal constraints are tightening, it is likely the armed forces of the United States will be reduced over the course of the next half-decade. I can not predict the specific cuts that may result from the legislative process.

Should the U.S. Navy be reduced by as many as 100 ships, it is clear we will not be able to do business as we have for the past five years. We simply will not be able to do all that we have in the past in as responsive a manner. Even without a reduction of this magnitude, our active force will be occupied by our traditional presence and contingency roles as well as the newer role of counternarcotics. These roles will not be substantially diminished by implementation of START or CFE.

I can see no benefit to the United States to engage in naval arms control. We are a maritime power and dependent upon the free use of the sea for our daily commerce, resources and standard of living. Most of the proposals favor the Soviets and are disadvantageous to the United States. We should continue to advocate free use of the sea for all nations and reject any proposals to change the laws which govern the use of the sea. Any tit-for-tat reduction of naval arms will be disadvantageous to the United States as it will result in equal reductions to our naval forces which we have traditionally used as an element of our foreign policy and Soviet naval forces which the Soviets have not used. Hence, such a negotiation reduces our influence but has little effect on Soviet influence. If we believe it is in our interests to reduce naval arms, then we should do so, but I am opposed to a negotiation whereby we reduce based on a negotiation dictated by equal reduction with the Soviets. We are a naval power and it is in our interests to remain so.

I believe as long as we are asked to do so, some level of U.S. ground forces should remain in Europe. In my many discussions with European leaders, it is clear the majority of Europeans view this presence as essential to the future stability of their continent. In support of our NATO obligations, we and our allies must ensure we have the sealift and airlift capability needed to reinforce them within the time frame afforded by strategic warning. Airlift, Maritime Prepositioning Ships and the Ready Reserve Fleet are also essential to contingency response capability.

QUESTION 11: What changes do you currently foresee in the Navy's relationship with the Marine Corps? What do you feel can be done to strengthen the Navy-Marine Corps team?

ANSWER 11: The Navy-Marine Corps team provides our nation with a unique capability in the spectrum of warfare. Enjoying an unmatched combination of mobility and sustainability, the Marine Corps can fight their way in and support themselves indigenously with all they need to keep fighting for a minimum of 30 days without relief. As the Soviet threat recedes, this long established capability will continue to provide an essential option with which to respond to rapidly developing events in far reaches of the globe that have the potential to endanger U.S. citizens or national interests. Of particular significance is the capability of Navy/ Marine Forces to go to any location in international waters and to remain for long periods to support United States interests without political approval of any other nation. It is the sustained presence that has been so successful in deterring conflict while at the same time influencing the peaceful outcome. This capability will, in all likelihood, grow in importance given the current trend in world events. The Navy-Marine Corps cooperation I observed in LANTCOM is the best I have ever seen. We train our forces together and we deploy together. General Gray and I worked for this in Norfolk and I'm sure we will do the same in Washington.

QUESTION 12: Do you believe changes are needed in the proportion of total defense spending, and roles and missions, allocated to each service as we cut our defense budget and react to changes in our strategic environment.? If so, what are these changes?

ANSWER 12: The world is experiencing breathtaking changes. While it is true that the Soviet Union will remain a formidable military power, there is a refocusing of the national defense debate to the problems associated with maintaining stability in an era of violent peace marked by terrorism and regional conflict. In the 1990s, our primary defense concerns will shift away from a sharply continental focus to more broadly encompass Europe, the Pacific, Middle East, Caribbean Basin and Southwest Asia. The major change this strategic outlook implies is a reduction in the size of overseas forces and support structure concentrated on the European central front. The requirement for globally deployed naval forces has not been reduced. In fact, one could argue the value these forces provide in flexibility, mobility, deployability and sustainability in response to world-wide crises has increased in importance.

QUESTION 13: What is your priority list for improvements in the forces that will be under your command? What elements on this list are funded? What elements are not funded and how does this lack of funding increase your risks.

ANSWER 13: Major improvements in naval forces will be achieved by modernization through new procurement. The level of modernization to Navy platforms required in the 21st century is more expensive when applied to older ships, submarines, and aircraft than it is when built into newer platforms that provide for growth and extended service lives.

Key elements in modernization include procurement and fielding of the DDG-51 Arleigh Burke destroyers, SSN-21 Seawolf attack submarines, and A-12 strike aircraft. These platforms fill the gap in Navy capabilities when balanced against the expected threat from sophisticated air, surface, and subsurface platforms and weapons in both traditional adversary nations and in the emerging military forces in the Third World. Additionally, increased emphasis is placed on improving systems to develop and maintain an accurate tactical picture, enhance force survivability and provide effective realistic training to the Fleet. The FY-91 budget adequately supports Navy priorities.

QUESTION 14: There are reports in the media that carrier strength will be cut to as few as 10-12 carriers. A number of commentators have stated that such cuts are acceptable in view of changes in the threat. What is your opinion of the future need for carrier battle groups, and of the impact of such cuts on our needs in the Atlantic, our global needs, and operating tempos?

ANSWER 14: The power projection and presence afforded by U.S. Navy aircraft carriers is unmatched by any other military capability in the world. From their inception, as instruments of war and foreign policy, they have been key to American strength and influence. I do not see anything on the horizon to lessen the importance of the CVBG to U.S. security and the protection of national interests.

The minimum number of carriers, as is true with all naval force structure, can be prudently established only after a careful assessment of what role the U.S. expects them to play in the nineties. Any reduction from 14 deployable CVBGs would cause a reduction in the Navy's ability to respond in as timely a manner as they have in the past. We cannot provide the same service with fewer forces and remain committed to the OPTEMPO/PERSTEMPO goals that provide our sailors assurance of a reasonable quality of life. If the CV force structure is reduced, we would have to adjust deployment patterns accordingly and would not be able to respond in the same manner as we did in the eighties without a likely downswing in personnel retention.

QUESTION 15: What is your opinion of the value of our battleships? What has the impact of the recent cut in battleships been on your future mission capabilities, and on your ability to use SLCMs? What would the impact be of taking the remaining battleships out of service?

ANSWER 15: I believe the decision to retire two of the battleships was the correct one. By retaining one in each fleet we retain a measure of their capability while recognizing the restraints of a shrinking budget. They have proven their worth in a wide variety of missions since their reintroduction to the force. The selective use of Battleship Battlegroups (BBBGs) in the North Arabian Sea has allowed us to ease the demands somewhat on our heavily employed aircraft carriers. In addition, when operating with other appropriate units, these ships can successfully be used to respond to mid-to-low level crises. They provide an unparalleled ability to support Marine units ashore if hostilities require that type of action. The BBBG provides an additional strike force that can respond to crises where an aircraft carrier battlegroup is not required or available. The battleships give the Fleet Commanders a margin of flexibility in CVBG employment and some relief from other demands on aircraft carriers. The battleship, as a capital ship, is very effective performing a presence mission. Moreover, with its SLCMs and 16-inch guns, it is unmatched by any other surface vessel in its organic strike capability. It is also the most survivable surface combatant afloat. These capabilities would be lost with the elimination of the battleships from the inventory.

QUESTION 16: Could you explain in some detail what your view is regarding the need to procure the SSN-21?

ANSWER 16: In my opinion, attack submarines will be required to execute any military strategy the United States will devise in this century or the next. It is the only platform which can perform in some forward area where we will control neither the air above or the surface of the ocean. The attack submarine performing well in these areas will greatly attrite enemy forces before they engage our surface and air capable forces and thereby serve as a multiplier for those forces. For the submarine to operate successfully in this hostile environment with acceptable attrition (U.S. submarine attrition in WW II was 1/3 and German submarine attrition was 2/3) requires it to be at a technological advantage with any adversary's ASW forces and in particular, their submarines. Our technological submarine edge has been steadily eroding for the past 20 years and we have not designed a new attack submarine except for the SSN-21 during this period. We have upgraded the SSN-688 class, but it has reached its technological limit and can not be improved as required for the next decade and century. There is considerable new technology in the SSN-21 that is required to achieve the quietness and sensor performance needed to retain our technological edge. Without the SSN-21, technology will fail to advance and the Soviets will close the gap even more. I predict they will not reduce their emphasis on submarine technology. I do not believe it is in our interest to lose the technological submarine edge. It would be an enormous confidence building factor for the Soviet leadership.

I am also concerned for our submarine building base and supplier base. There is a minimum level of submarines needed to maintain this business base. If we lose the building yards, we will lose not only the ability to build, but the ability to design. Should we ever desire to start up again, it would be a very long and costly process. It takes us about ten years even today to design and build a new submarine.

We will lose an enormous investment in sunk costs (around $5 billion) if we do not go forward with the SSN-21 program.

QUESTION 17: To what extent do you feel improved sealift can provide the redeployment capability we will need after CFE? To what extent does improved sealift have a higher contingency priority than funding the C-17, assuming currently projected budget constraints?

ANSWER 17: Preliminary analyses, based on what we now see as probable European-centered scenarios of increased warning time, show the current level of U.S. and Allied strategic sealift is adequate to provide a graduated response to Soviet mobilization leading to conventional hostilities. Contingency response requires rapid deployment of forces by prepositioning or by air or by a combination of both with sealift providing reinforcement and sustainment for these rapidly deployed forces. To this extent, airlift and sealift do not have competing priorities within contingency planning, but have their separate roles.

QUESTION 18: Looking at the regional war requirements, if there was a regional situation that developed in another part of the world, say the Pacific, what would the impact be on your ability to fulfill your contingency amphibious lift requirements? If you could not carry out your mission, what would the amphibious lift shortfall be?

QUESTION 19: Is there currently adequate amphibious lift capability dedicated to your command to execute contingency amphibious lift requirements? If not, what is the shortfall?

ANSWER 18 and 19: Requirements for all forms of strategic sea and air lift are under review as a result of current world-wide trends.

The Navy today is capable of providing ready contingency forces in both the Atlantic and the Pacific. On short notice, the assault echelon of a Marine Expeditionary Brigade can load and sail from either or both East and West coasts. If necessary, the ships from both coasts can be combined into the lift needed for the assault echelon of a Marine Expeditionary Force.

Maritime Prepositioning Forces are forward deployed and ready for either independent operations or as reinforcements for amphibious forces.

Considered together, Amphibious and MPF lift assets, augmented by strategic sea and air lift, are capable of deploying a Marine Expeditionary Force in both the Atlantic and the Pacific. That combination of assets is adequate to fulfill our contingency amphibious lift requirements.

QUESTION 20: What are our ammunition war fighting stock levels? What are the programmed buys and what impact will they have in bringing the levels up to requirements?

ANSWER 20: In developing the Navy's planned ordnance stockpile levels, the investment strategy was based on requirements needed to respond to Defense Guidance tasking. War fighting stock levels for Threat and Level-of-Effort weapons are based upon program objectives (combat requirements) determined by the Navy's Non-Nuclear Ordnance Requirements process. These procurement objectives are expressed in terms of filling a high percentage of the Joint Chiefs of Staff's global threat allocated to the Department of the Navy (Threat weapons) and in Days Of Supply (LOE weapons). Past Congressional support provided to the Navy's war fighting munitions requirements has enabled the DON to attain a realistic war fighting posture. While the desired inventory objectives have not been attained for all munitions, current stockpiles and future sustainability buys are in-line with the global threat and the most likely future maritime employments. Current weapon stockpiles and projected buys meet, with an element of acceptable risk, all currently projected DON munitions requirements.

QUESTION 21: What is your view of the changes taking place in the U.S. and Soviet naval balance, in Soviet naval and naval aviation forces, and how do you feel these changes affect the requirements for given types of naval forces?

a. In terms of carrier forces?

b. In terms of naval aviation and long range anti-ship missiles?

c. In terms of naval infantry and power projection capabilities?

d. In terms of submarine forces?

e. In terms of naval bases and deployments?

ANSWERS FOR 21A, 21B, 21C, 21D and 21E: The Soviet Navy is not, at least not yet, in decline. It is a more modern and capable force than ever before. If it were not for the enormous political changes underway, I would argue that the Soviet naval threat has increased substantially since Mr. Gorbachev came to power. In every category, they have registered improvements: submarines, sea-based aviation, land-based bombers and, most recently, land-based fighters transferred from the Soviet Air Force. The U.S. Navy has improved substantially over this same period so, in the macro-sense, the balance has remained fairly constant. They have clearly closed the technological gap in sea-based aviation and submarines. What will bear close watching is what occurs over the course of the next Soviet Five Year Defense Plan. It now appears U.S. Forces will decline. We do not yet know, with the same degree of certainty, what is planned for the Soviet Navy.

What this means to me, is we must maintain a balanced Navy with sufficient capability in its total force to defeat and deter use of existing Soviet naval capability. The roles of specific categories of naval capability you list are not changed in the NATO war context, except we may examine the current active-reserve mix in some categories.

We will continue to need dispersed logistics nodes in remote locations to provide the required support for deployed units. We may deploy less as a result of reduced threat and tension, but we will need the base support to make any future capability to sustain deployed forces credible.

QUESTION 22: What other threats should the U.S. Navy plan its forces to meet in the 1990s?

a. In the Atlantic?

b. In the Pacific?

c. In the Persian Gulf, Indian Ocean, and Mediterranean?

d. In the Mediterranean?

ANSWER 22: History shows our vital interests, key allies, and forces most likely to be belligerent toward U.S. reside in four major geographical areas; the Caribbean Sea, Western Pacific, Indian Ocean and Persian Gulf, the Eastern Atlantic Ocean and Mediterranean Sea. These areas have traditionally served as "hubs" for our deployments and I expect during the 1990s, Third World crises in these areas will predominate.

The causes of future conflicts will be one or more of the following:

-Transnational and international terrorism
-resurgent nationalism
-Religious fanaticism
-Narcotics trafficking
-Competition for scarce resources and energy

Two factors will make naval response to worldwide crises more difficult in the 90s. First, the probability of simultaneous need for naval forces is high, as evidenced most recently when the Navy responded to the Liberian crisis while it conducted counternarcotic operations in the Caribbean and maintained a presence in the Persian Gulf. Secondly, and most importantly, advanced technology weaponry has proliferated in the Third World: today 41 nations collectively possess more than 250 attack submarines, 40 have anti-ship cruise missiles, and 40 are arms producers. Furthermore, a significant percentage of advanced tech weapons now in newly liberated Eastern Europe may be sold in the Third World in exchange for sorely needed hard currency. We are quickly reaching the environment where many Third World nations possess First World ammo. In the future, as in the past, the same high tech U.S. weapons which deter Soviet aggression will be needed to succeed in Third World conflicts.

With regard to the four regions or hubs I mentioned above, the U.S. faces several challenges. In the Caribbean and Eastern Pacific we face an ongoing and long-term threat to our security from narcotics trafficking. The President's comments in the March 90 National Security Strategy emphasized the role the services will play in stemming the flow of drugs to our shores.

In the Western Pacific we face potential regional instabilities in several areas: continuing war in Cambodia, an increasingly aggressive insurrection in the Philippines, and the continued tensions between North and South Korea.

The nations of the Western Pacific constitute our fastest growing and largest, collective trading partners. The trade routes to these nations pass in close proximity to the regions of potential instability. The need for the Navy to maintain these trade routes safe and secure during regional crisis remains paramount.

In the Indian Ocean and Persian Gulf the safe passage of free world oil supplies remains a key concern. Iran and Iraq, though they have observed a cease fire for approximately two years, still have deep rooted ethnic, territorial, and political differences. The potential disruption of oil flow through the Strait of Hormuz as well as the threat to our allies makes U.S. naval presence in this region essential.

In the Mediterranean we face both endemic regional problems and the potential for new crises. The endemic problems of terrorism, the Lebanese Civil War, and the destabilizing activities of the Libyan government will be with us in the 1990s.

In the Eastern Atlantic the potential threat to NATO remains. Though there are clearly changes in the Soviet Union, this other "super power" remains an unproven and untested democracy. Though conventional arms cuts in Europe appear promising, the continued need for an American capability to assist Europe in deterring war remains valid.

QUESTION 23: Could you discuss your view of the trends in allied navies, and the role such navies should play in planning U.S. naval forces?

ANSWER 23: The governments and navies of Western democracies are seriously rethinking their strategies and force levels. As perceptions of a reduced Soviet threat take hold, allied support for naval forces may diminish. These force reductions will probably be more pronounced in nations with traditionally lesser maritime orientations, who built higher force levels primarily in response to the Soviet threat. Public support for defense appears to be eroding in many of our allied nations which will probably result in a reduction in allied forces.

We should continue to factor the valued contributions of allied forces into our operational and strategic planning. Their contributions are substantial and reduce our force requirements when considering a global conflict. We can not, however, plan on the use of their forces in a presence role or in a regional conflict role because we can not assume the political aims of our allies will always coincide with our own aims.

QUESTION 24: What are the trends in allied out of area capabilities? To what extent is the West becoming more dependent on U.S. naval power projection capabilities?

ANSWER 24: Since the 1950s, NATO navies have shared the maritime roles and missions for the Alliance. The U.S. has provided the bulk of the power projection forces and the Allies have furnished convoy escorts, AAW ships, attack submarines, mine warfare assets, and sea lift capabilities. Some nations, notably France and the UK, which have responsibilities outside of the NATO arena have retained power projection forces in their navies. Their navies also contribute strategic deterrent assets in the form of their SSBN forces.

We should continue to encourage our allies to participate collectively when security interests are threatened in other regions. As a new security relationship evolves in Europe, we have an unique opportunity to build a new arrangement with our Allies to face challenges in areas outside the classic NATO scenario of response to a general assault on Western Europe. If one considers the Persian Gulf experience, and one could make a case for an up-trend in allied out of area operations and capabilities. France has the only fixed wing naval out of area power projection capability. Holland, the UK and France have small amphibious forces which have some power projection capabilities. We must continue to recognize, however, when other navies participate in contingencies, the U.S. Navy will still provide the bulk of the power projection and sustainment forces. It is probable there will be considerable political pressure for a reduction of allied forces and when this occurs, it will cause an increase in the importance of the U.S. power projection forces.

QUESTION 25: What do you feel are the major challenges we face in maintaining the effectiveness of our naval aviation and SLCM forces in the 1990s?

a. What is your view of the risks inherent in halting production of the F-14 and Phoenix missile?

b. What is your opinion of the value of the A-12?

c. What is your view of the P-7 and the shortfall in other special purpose aircraft?

d. What is your view of the NATF and the risks in this program?

ANSWER 25: The biggest challenge facing Naval Aviation today is how to sustain the qualitative warfighting edge in the face of declining defense budgets. Despite the apparent recession of the Soviet threat, Soviet technology is proliferating throughout the world at an accelerating rate. With the very real possibility that many of our existing forward bases will be eliminated, carrier battle groups will be the forward bases of the future. In this capacity, the carrier's air wing will face a formidable threat environment that demands state-of-the-art capability to counter. A mixture of new production platforms, such as the A-12 and upgrades to existing systems will be required if we are to maintain the critical edge.

ANSWER 25A: Termination of any weapon system is a difficult decision. However, in this period of declining defense resources, some vertical cuts must be made to achieve a balance in our capability to meet the present threat and to prepare for the future threat. Many factors were considered in arriving at the decision to terminate Phoenix--the possibility of using other missiles, the changing world situation, current missile stock levels, possible changes in requirements, and the need to fund the AAAM development program.

The risk of ending Phoenix procurement early must be viewed in light of the current world situation. The likelihood of a Soviet air attack on our carriers is reduced and we expect the air threat will be reduced in numbers over the next few years. As these reductions occur, we expect to see parallel decreases in our air-to-air missile requirements. By the end of our FY 1990 procurement, we will have purchased nearly 2,500 AIM-54C missiles. I believe the risk involved in early termination is acceptable.

As we look to the future, we continue to conclude the AIM-54C will approach obsolescence by the late nineties. It can be carried only by the F-14, and it has insufficient range and speed to meet projected bomber and cruise missile threats. We need a new missile with greater range and speed than Phoenix, and one with a multi-mode guidance capability for greater resistance to countermeasures.

The AAAM is in the second year of a four-year, competitive demonstration and validation effort. The Navy has looked into the possibility of accelerating the program but has found no way of doing so with acceptable risk. Since the two competing contractor teams have not yet had sufficient time to fully develop their different approaches, the Navy judges it would be premature to select one approach at this time. Moreover, acceleration of the AAAM program would make an already high risk technical development program an even higher risk program. We view the current competitive program as being the best avenue to develop the next generation long-range missile.

Termination of new F-14D aircraft production was based on two factors: (1) the total F-14 airframe inventory was judged sufficient to meet requirements until the NATF could be introduced and (2) remanufacture of the F-14A into the F-14D configuration was determined to be the most cost-effective and fastest way to modernize the fighter force in the interim. The risk associated with gapping fighter aircraft production was assessed in light of the current world situation and judged acceptable. I would prefer to have a new fighter in production before we stop the old production line, but we will have to make tough decisions like this one in this fiscal climate.

ANSWER 25B: The A-12 is Naval aviation's number one priority and represents a major step forward in carrier power projection in order to protect our country's vital interests. It provides the battle group commander unique advantages and flexibility for U.S. force application wherever called for. Designed from the ground up with survivability in mind, it introduces state-of-the-art low observable technologies and advanced avionics that are absolutely mandatory in order to survive the increasingly sophisticated integrated air defense threats of the future. The A-12 will give us a major improvement in range, payload, weapon delivery accuracy, survivability, reliability and maintainability over the aging A-6 Intruder it is scheduled to replace. It is a design that lends itself readily to aircraft variants in the Navy's continuing effort to eliminate single-mission aircraft from the carrier deck.

ANSWER 25C: The P-7A program is in the second year of Full Scale Engineering Development. On 15 November 1989, Lockheed Aeronautical Systems Company, the prime aircraft developer, in a public declaration and discussions with NAVAIR, notified the Navy of design, schedule and cost problems in the P-7A development program. Lockheed's initial estimate is that development costs will exceed the ceiling of the current fixed-price incentive contract and approximately two years will have to be added to the current development schedule. Lockheed announced a $300 million write-off in the fourth quarter 1989 related primarily to the development phase of the P-7A. Lockheed believes the primary cause for the magnitude of these losses was the lack of commonality between the P-7A and its P-3C military derivative. This reduced commonality increased the Lockheed design effort and the required Lockheed aircraft demonstration testing, leading to higher development costs. The Navy's intention is to proceed with the present contract to build the P-7 airplane. The Navy and Lockheed have been working to restructure a program that will meet all requirements and remain within present contract bounds. This program will be presented to the Defense Acquisition Board this summer at a DAB Program Review.

F-16N Adversary Aircraft. The requirement is for 24 aircraft to provide fleet adversary support. Inventory projections indicate attrition losses will cause inventory shortfalls by FY-94 that will impact fleet F-16N adversary training. If attrition projections come to fruition, additional F-16N aircraft procurement will be required or the current requirement will not be met.

C-2 Carrier Onboard Delivery Aircraft. There are 37 aircraft in the inventory. The last production aircraft was delivered in January 1990. The aircraft appear to be experiencing fatigue at a higher rate than initially projected. Early analysis of engineering studies indicates the first retirement may occur in FY-93 vice FY-2003. Once the engineering analyses are complete the subject will become a POM-94 issue.

ANSWER 25D: SECNAV and CNO have testified numerous times that the Navy is committed to the development of NATF. With the current tight fiscal environment, it is imperative the Navy and Air Force cooperate to the maximum extent possible on aircraft development programs. Every effort is being made to work with the Air Force in developing a Navy ATF variant that will meet Navy fleet needs. The challenges and risks that will be faced in making a land-based high performance aircraft into an equally high performance carrier-based aircraft should not be underestimated. The progress to date the contractors have made is encouraging. However, much remains to be designed and tested. Currently, NATF is in the demonstration/validation development phase. During this phase, the Navy will concentrate on the design changes required in the ATF in order to build a satisfactory NATF and reduce risk to the minimum. With the completion of this phase at the end of 1994, the Navy will fully review the NATF program for Navy suitability. I have not forgotten the problems we had in TFX and we will continue to ensure any fighter for the Navy meets carrier requirements.

QUESTION 26: What is your view of the mix of strategic and theater nuclear forces the U.S. should have after START and CFE? What specific mix of SSBNs, SLBMs, and SLCMs do you advocate? What other naval nuclear weapons capabilities do you believe should be maintained or created?

ANSWER 26: To properly address this question, I will answer it in two parts; first with respect to strategic nuclear forces, then with respect to theater nuclear forces.

With regard to strategic nuclear forces, the United States deters nuclear war by making it clear in advance the costs of aggression far outweigh the gains. The Administration's strategic modernization plan provides the details of how force modernization should be accomplished and I support that plan. With respect to a specific future force structure, it should continue to evolve based on changing threats, emerging technologies, and fiscal realities.

With regard to theater nuclear forces, the fundamental reason the United States has Theater Nuclear Forces (TNF) is to deter aggression against the United States, to provide extended nuclear deterrence to our allies, and should deterrence fail, to provide warfighting utility. Our Naval TNF are needed to provide a credible response to an aggressor's first use of "weapons of mass destruction", that could be prompted by perceived force asymmetries or capabilities. Deployed TNF provide that needed deterrence "in kind" below the level of strategic forces.

QUESTION 27: To what extent can we reduce our need for ICBMs and strategic bombers by increasing our reliance on naval strategic systems?

ANSWER 27: I believe our TRIDENT program is sound, reliable and survivable and it should be continued until we achieve a level of around 20 TRIDENTs. This has been our goal since President Reagan made the D-5 missile decision but no fixed number of submarines has ever been chosen by the leadership. We obviously could build more and take a larger share of the strategic load should the President and Congress so decide.

However, every administration and Congress since we first devised our strategic deterrent has chosen to retain three strategic systems to provide redundant technologies to guard against neutralization of any one. With the technological advances taking place in our world today, this appears to be sound logic.

This administration has taken the same approach to date and I support the strategic program the President has submitted to the Congress.

QUESTION 28: What is your opinion of the adequacy of current funding for major munitions and key war fighting items like sonobouys? What are the major shortfalls and constraints in these areas, and what can be done to correct them?

ANSWER 28: Current funding for key war fighting munitions adequately supports the ordnance procurement quantities required for future maritime operations and provides an acceptable sustaining capability. The Navy investment strategy ensures warm production lines for key ordnance items in order to both modernize ordnance inventories and maintain an industrial base capable of expanding (ramping up) to meet global needs, if required. There are no major shortfalls or constraints in the munitions area. For items such as sonobuoys, the Navy's investment strategy is adequate to meet near-term inventory requirements. Should potential shortfalls materialize in the far-term, sonobuoy funding will require adjustments.

QUESTION 29: During the last year, the Navy has failed to provide the Congress with data that goes beyond the coming fiscal year in describing most of its force plans and procurement plans, and to provide a clear strategy and program plan to explain the long term implications of its funding requests. What will you do to improve the quality of the reporting and testimony the Navy provides, and to ensure it contains at least the information presented in the FYDP and a suitable strategic rationale?

ANSWER 29: This past year has been unusual. The last FY 1991 budget submission was actually the second submission of the second year of the FY 1990/1991 biennial budget. Out-year data was provided when the FY 1990/1991 biennial budget was initially submitted. The out-year impacts of changes to FY 1991 funding levels were provided to the Congress by the Office of the Secretary of Defense (OSD) as a part of the second submission. Furthermore, FY 1991 has been categorized as a year of transition to a new geopolitical order which continues to evolve. The astonishing pace of change in world events we have experienced during the past year dictates a deliberate and thorough review of our national defense. This review is now being conducted by the Secretary of Defense and the results will be reflected in the President's Budget request for FY 1992/1993 and the underlying Defense Program. The Secretary of Defense is also currently reviewing a number of major acquisition programs, and it is my understanding he will provide you with the results of that review as soon as they are available. I will always strive to provide the committee with all information which might be required.

QUESTION 30: The current planning system within the DoD seems to suffer from over-coordination and long delays between the tasking of major planning activities and documents and the production of the actual products. What do you believe can be done to create a more timely and responsive planning system?

ANSWER 30: I believe the new Joint Strategic Planning System (JSPS) established by the Chairman of the Joint Chiefs of Staff in January of this year will help make planning more timely and responsive. The new JSPS streamlines the strategic planning process, emphasizes top-down guidance and helps the Chairman meet statutory requirements of the Goldwater-Nichols Act without adding to the administrative burden. Specifically, JSPS reduces the number of required planning documents from ten to five and provides the strategic planning necessary to support guidance to the services for development of program objective memorandums. The first full JSPS cycle for FY 1994-1999 started in January (two years duration). It is too early to fully assess the effectiveness of the new system, but I am convinced we are moving in the right direction. In the Navy, we are working on implementation of a Computer Aided Logistics System to reduce paperwork and greatly speed up our planning as well as reduce the cost of providing information in the work place.

QUESTION 31: Please provide your analysis of the current cycle of Navy inputs to the budget planning cycle, and of the timeliness of the key activities and outputs in impacts on the budget cycle. Please indicate the changes you feel can be made to make the Navy inputs more timely and relevant.

ANSWER 31: The budget process used within DOD - the Planning, Programming and Budgeting System (PPBS) - is a lengthy and difficult process. However, several factors pertain. First, DOD utilizes its resources for a vast universe of endeavors, ranging from the construction of aircraft carriers to the operation of day care centers. No fast or simplistic system could adequately handle the allocation of a resource mix of the complexity found within DOD. Careful deliberation is necessary, particularly since the ultimate product profoundly influences our national security. Furthermore, the changes which have occurred in the world over the past 12 months were unprecedented in the previous forty years. No reasonable resource allocation process could have kept up with such fast changing events. PPBS provides a system capable of handling the complexity and still provides an opportunity for pertinent information to be brought to the attention of key decision-makers. I share your concern for the speed of the process and will work to improve it within the Navy. I believe improvement is desirable and possible.

QUESTION 32: The OJCS is tasked with developing a joint military net assessment that is to be released in both classified and unclassified form at the same time as the defense budget. This document is supposed to be a global net assessment that identifies both the capabilities and risks of the forces funded in the budget and FYDP. What improvements do you feel should be made in Navy threat assessment and net assessment activity to support this planning effort? What steps need to be taken to correct cuts in manpower and reorganization that have severely undercut Navy capabilities in these areas since the early 1980's?

ANSWER 32: The Navy enthusiastically supports the Chairman of the Joint Chiefs of Staff in executing his responsibility for the assessment of military capabilities. We have recently made great strides in improving the timeliness, cogency, and degree of coordination of this process within the Navy Staff, yet we recognize the need to keep improving our procedures. As the Joint Staff process continues to evolve, we will also be conducting an ongoing reassessment of how the Navy can better support the effort. At the present time, I think we have devoted sufficient manpower, resources and attention to the goal of improving and streamlining the joint military net assessment process.

QUESTION 33: The Department of Defense was required in FY 1989 to prepare a consolidated readiness report that would end the decoupling of reporting on manpower levels and readiness, sustainability, equipment strength and modernization, and the availability of lift and the prepositioning of stocks and equipment. This report was tasked in part because of the inability of each service to provide a comprehensive and integrated picture of the extent to which U.S. forces can or cannot meet key commitments like deploying 10 fully combat ready division slices to NATO in 10 days.

This report has never been submitted to Congress, but testimony during the course of FY 1989 and FY 1990 strongly indicates that many war stoppers exist, and that the decoupling of reporting on various aspects of readiness may increasingly conceal an emphasis on manpower readiness and OPTEMPOs at the expense of sustainability.

Will you undertake to ensure that this report, or similar reporting on the U.S. Navy, is submitted in compliance with the FY 1989 Defense Authorization act, and that a more effective and integrated approach is taken to reporting on readiness and combat capability?

ANSWER 33: The required consolidated readiness report was tasked to the Chairman, Joint Chiefs of Staff by the Secretary of Defense. The Navy supported the Joint Staff in the preparation of the report. The Joint Chiefs of Staff approved the Integrated Readiness Report (IRR) and forwarded it to the Secretary on 2 February 1989. The Navy worked with the Joint Staff to modify the report to reflect amended budget data. The Navy is supporting the preparation of the FY 1990 report.

QUESTION 34: I am deeply concerned that career officers in the U.S. Navy -- particularly those in naval aviation, the carrier forces, and other surface forces -- now face major barriers in achieving the top flag ranks in the Navy. I gather that many of these barriers are the result of action like the legislation requiring joint service assignments.

Have you found such problems to exist, and would you undertake to provide a detailed qualitative and statistical analysis of such problems for the record, and specific recommendations that can correct this situation?

ANSWER 34: Although there are many competing demands for the skilled warrior, I do not see barriers to the promotion of certain categories of career officers to the top flag ranks. By carefully monitoring the career path of each officer, ample opportunity is provided to develop the needed operational proficiency to excel at sea. Such tactical proficiency is the key to our Navy's operational readiness and, therefore, our top priority. Monitoring the careers of our officers also requires us to ensure the legal requirements for promotion to flag are met by assigning people to joint duty. We are doing that. In cases where individuals' career assignments have not given them the opportunity to gain joint experience, waivers are requested. I am committed to ensure the Navy's promotion system recognizes the very best in selection to all flag grades and the law does not prevent a qualified individual from being selected.

A review of our current distribution of flag officers by grade indicates equitable promotion opportunity for the categories of surface warfare (SW), submariner (SS) and aviator (AV). (185 total officers). Distribution is effective 1 July 1990.

	All Grades	0-7	0-8	0-9	0-10	*0-10
SW	36%	36%	33%	41%	30%	30%
SS	21%	18%	22%	21%	40%	30%
AV	43%	46%	44%	38%	30%	30%

* Distribution excluding Director, Naval Nuclear Propulsion. Skill requirements for this billet are geared toward a nuclear submariner.

QUESTION 35: The Navy continues to recruit the largest percentage of Category IV recruits, the lowest acceptable mental group for military service.

a. Do you feel that it is in the best interest of the United States Navy and in the interest of the national defense to recruit this low a quality recruit in the high tech Navy?

b. Do you feel that this quality is in any way indicative of the readiness of the Navy?

c. Where are these low aptitude sailors being assigned? Please provide a break down by high school graduate/non-high school graduates and by ethnic background of the category IVs in the Navy.

ANSWER 35A: The Navy has recruited a certain percentage of category IV personnel in order to meet accession goals required for fleet manning. The percentage recruited reflects both the difficult recruiting market environment and recruiting operations resource levels. Clearly, we would prefer fewer people from Mental Group IV. With planned resources for recruiting and advertising in Fiscal Year 1990 and beyond, we are decreasing the percentage proportionately each year with a final goal of no more than four percent by Fiscal Year 1992. Any additional programmed decreases in accession requirements will allow Navy to accelerate its quality improvement.

ANSWER 35B: The presence of category IV personnel in the force is not indicative of the Navy's readiness. The quality mix we are recruiting in Fiscal Year 1990 includes six percent category IV personnel. These recruits provide a valuable service by performing many of the lesser skilled tasks at sea without which our readiness would suffer.

ANSWER 35C: Category IV personnel may enlist in any Navy program for which they qualify based on their composite scores on the aptitude test. This program selection process is a computer assisted one in which program choices are presented to the recruit in "best match" order. The applicant and classifier discuss these choices and ultimately select one that meets both the individual's desires and the Navy's needs. Many category IV personnel select apprenticeship training programs rather than specific job field (rating) assignments. After completion of recruit training and any follow-on training in their chosen area, they are assigned to the fleet without prejudice on the basis of original Armed Forces Qualification Test (AFQT) scores. All category IV personnel in the Navy are high school diploma graduates.

QUESTION 36: Please provide the Committee a chart of the size of the Regular and Reserve delayed entry pool at the end of the year for the last 5 fiscal years.

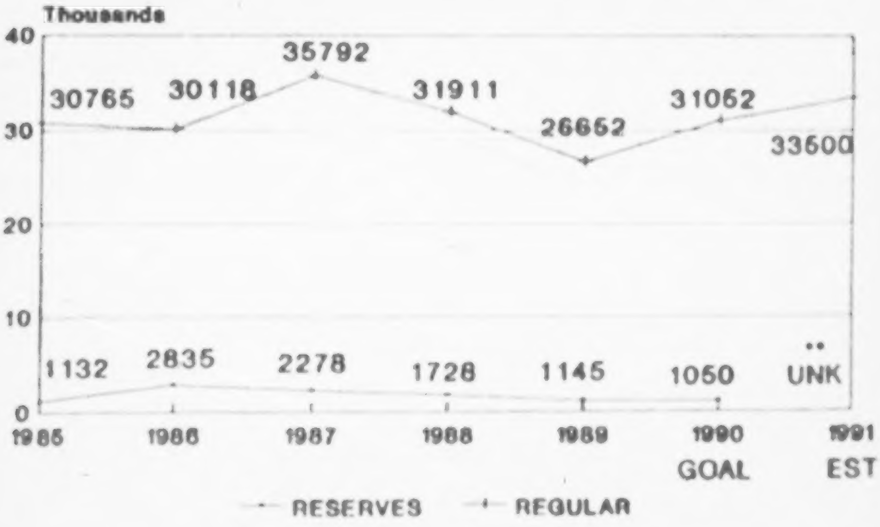
a. How important is the delayed entry pool to Navy recruiting?

ANSWER 36: A chart of the end of Fiscal Year Delayed Entry Pool (DEP) is attached.

The size of the Delayed Entry Pool is the best predictor of next year's accession program. When the recruiting environment is extremely difficult, the Delayed Entry Pool declines. Because of reduced accession requirements in FY-90, Navy Recruiting will be able to rebuild the amount of DEP lost during FY-89. The DEP increase will allow recruiters to concentrate in the high school market. Increased DEP also has a positive effect on recruiter quality of life by relieving direct shipping pressure.

SIZE OF DELAYED ENTRY POOL

END OF FISCAL YEAR TOTALS



OPNAV 13/1C23 AS OF 4 JUNE 1990 **PHONCON WITH CNRRC, NO ESTIMATE AVAILABLE

QUESTION 37: What role do you see the Navy Reserves playing in the Navy in the next 5 years?

a. What has the Navy,s re-enlistment rate for Reserves been over the last 5 years? What, if anything, do you feel needs to be done to improve the conditions under which the personnel in the naval reserve now serve?

b. What specific types of naval forces do you feel can and cannot be put in reserve?

ANSWER 37: Our reserves will continue to play an important role as the cornerstone of our Nation's Navy mobilization capability. Warning time may increase to the point where it makes sense to place more of an active inventory into a reduced readiness reserve status. The extent to which this is possible hinges as well on our determination of active force numbers needed to fulfill the Navy's traditional presence and contingency response roles.

ANSWER 37A: Enlisted Retention Rates, Naval Selected Reserve

FY	1st Term%	2nd%	Career%	Overall%
86	81.1	83.0	88.6	83.5
87	80.7	82.2	89.1	83.4
88	80.9	81.8	90.1	83.6
89	96.5	96.9	97.9	97.0
90*	84.8	86.5	91.0	86.6

* FY.90 data as of 31 Mar 90

We are continuing to improve the conditions under which Naval Reserve personnel serve. These include:

- Initiatives that recognize the important role played by Naval Reservists in the day-to-day operation of the Navy
- Emphasis on automation and enlightened management has significantly increased the amount of time available for meaningful training and operations while minimizing the amount of time needed to complete routine administrative functions.
- Continued emphasis on "hands-on" training that utilizes and reinforces the training gained by today's Reservists when they were on active duty.

Finally, we have, and will continue to stress realistic expectations of how much can and should be accomplished by individual Reservists; provide "real world" training opportunities, and be especially sensitive to potential family and/or employer conflicts.

ANSWER 37B: The Naval Reserve today, with very few exceptions participates in the full spectrum of Navy missions. Some mission areas are more adaptable to reserve participation -- examples include aviation, (particularly, maritime patrol/CONUS based logistics) medical and intelligence. Building on past experience, I will continue to emphasize those programs and mission areas where the Naval Reserve has proven to be most effective and economic.

I support exploring innovative concepts for utilizing the Naval Reserve Surface Force. Past experience indicates frigates and smaller vessels are best suited for the Naval Reserve.

Experience also indicates equipment and missions which can not economically and demographically be supported or which will be needed prior to mobilization should not be placed in the Naval Reserve. Specifically, I do not believe aircraft carriers, battleships and submarines should be placed in reserve status.

QUESTION 38: What has the augmentation rate been over the last 10 years for nuclear power, surface line, supply corps, and aviation officers?

ANSWER 38: Based on the five years of augmentation data available, augmentation rates are: Nuclear Power 96%; Surface line 69%; Supply corps 43%; Aviation 55% (pilot 89%, NFO 25%). Data for the ten year period requested is not available.

QUESTION 39: In your estimation, what will the impact be of increasing the obligated service of Naval Academy graduates?

ANSWER 39: I believe there is a high probability increased obligation may reduce the quantity and quality of applicants. The amount of reduction will likely be influenced by how much increase in obligation is imposed.

QUESTION 40: What would the impact be if the Naval Academy and NROTC offered Reserve commissions and these officers had to compete with other sources for Regular Commissions

ANSWER 40: The four year program at the Naval Academy is designed to prepare career naval officers to meet the division officer requirements of our highly technical Navy. To commission them other than Regular would not recognize the special education they bring to the service. It would likely cause some reduction in applicants, but I cannot quantify the change.

NROTC has long commissioned its scholarship graduates as Regular Officers, again to recognize the professional military education they have received over their four years in college. It is a fact, however, the civilian university environment is significantly different. Recent end strength cuts have reduced the Navy's ability to access officers through its Reserve Officer programs. We are reviewing the policy of commissioning all scholarship NROTC graduates as Regular Officers. The initial impact would be a possible reduction in young people desiring entrance into NROTC since we would be offering no additional benefit over the other services who now offer virtually all Reserve Commissions.

QUESTION 41: Is there any physical restriction that would preclude women from being assigned to nuclear powered submarines?

ANSWER 41: Yes. The economy of space inherent in submarine design is partially achieved by minimizing habitability areas allocated to an all male crew. Cramped berthing compartments have the absolute minimum number of bunks needed to support the crew. Similarly, very limited head facilities mandate their constant, multiple use of showers, sinks and toilets.

Significant redesign/modifications to the ship would be required to separate male and female living spaces. The loss of equipment space would directly impact a submarine's war fighting capacity.

QUESTION 42: What is the current state of Navy medical care? What, if anything, do you feel needs to be done to improve it?

ANSWER 42: Navy medical care, in my opinion, is excellent in so far as quality health care provided to Navy people that have access to this care. There are problems of access to the health care system, of retention of health care personnel and of rising costs for health care services. We are working to improve all facets of the system. The critical management indicators all point in the right direction: workload is up, CHAMPUS nonavailability statements are down and our customers are more satisfied with the level of services available today than they were even a year ago. I regret I must temper my optimism with the reality of the growing costs of doing business in the health care field and particularly the CHAMPUS bill. Managing the growth of this increasingly popular, and more expensive, health care benefit will continue to be one of our greatest financial challenges.

We are taking several actions to improve our Navy health care system and continually improve the quality of life for Navy and Marine Corps families. Our strategy for the future will be to build on our own recent successes as well as health care trends in other federal agencies and the private sector. First, we are committed to the concept of local area management of health care services. This initiative ties together our direct care system of Navy owned or operated treatment facilities with local providers and institutions providing care to our people through CHAMPUS. Our managers now deal directly with civilian providers on issues like "market share". We are also opening "health care finder" offices to help our people obtain timely access, and responsive care that is appropriate to their needs.

Perhaps most important will be our move into an era of health promotion. Helping people protect their health and promoting healthy lifestyles saves lives, improves quality of life, saves money (these days an ounce of prevention is literally worth a pound of cure), and will lead to a stronger, more ready Navy. In an era of runaway health costs - and we in the military services certainly are no exception - health prevention is cost-effective. Our Sailors and Marines are the most important part of our weapons systems. If they fail, through disease or fatigue, the weapons platforms are seriously compromised. Good health behaviors will help us keep our people at the ready and save valuable resources.

The successes we have had to date in retaining our health care personnel and improving access to care are the result of our combined efforts. The Navy budget request annualized the additional civilian personnel provided by the Congress and continues our ramp up of active duty medical personnel. We have, together, made a good start on the easy part. The challenges we face in maintaining a reasonable healthcare benefit in the face of certain force and budget adjustments will require close cooperation between the Congress and the Military Departments. We have begun our examination of all of the options as we build a medical department for the nineties. I am committed to continuing this successful partnership and ask for your continued support.

QUESTION 43: There is some speculation that the perception in the Navy is that the opportunity for promotion to Flag rank is limited for aviators when compared to other warfare specialties. Since the last three CNOs have been nuclear power officers and the predominance of Fleet and CINC commands open to the Navy are filled by nuclear power officers, it appears that this perception may be correct. Are nuclear power officers that much better qualified than other warfare specialties in the Navy or are the opportunities limited because of the manpower management of the career patterns in the Navy? Please give me your estimate of the situation.

ANSWER 43: Officers from the three major warfare communities, (Surface Warfare, Submariner, Aviator) are equally qualified to fill Fleet and CINC command positions. A review of officers who have served in CINC positions over the past 7 years supports this statement. Of the 19 officers who have filled these positions since 1983, 6 were surface warfare, 6 were submariners, and 7 were aviators. Incumbents in these positions are 1 surface warfare, 2 submariners and 2 aviators. A review of the past 17

CNO's also shows balanced representation from the major warfare communities (5 surface, 5 submariners, and 7 aviators). I have been the president of two flag boards and have been a member of several other flag boards and I have never seen any indication that all communities did not get a fair representation in those selected. I am committed to ensuring we fairly represent all our officers at all levels and select the best qualified to fill the Navy's senior leadership positions. My experience is there are well qualified officers for these positions in all our communities.

QUESTION 44: What would be the impact of limiting the nuclear power bonus for nuclear power officers in the same fashion that aviators bonuses are limited?

ANSWER 44: The Nuclear Officer Incentive Pay (NOIP) program is intended to attract and retain high quality officers in the nuclear propulsion program from initial accession through major command. There has been an existing shortage of submarine post command officers and prospective major commanders. In the early 1980s, this shortage was so severe there were not enough senior officers to fill reactor safety billets. High quality, experienced officers were voluntarily retiring after only 20 years of service. The significant pay reduction following command (17-19 years service) combined with lucrative job opportunities outside the Navy caused the exodus.

To ensure reactor safety, Congress extended NOIP continuation pay through 26 years service as an incentive. Although a shortage of post command commanders and captains still exists, the bonus has been instrumental in doing as well as we have.

Limiting NOIP eligibility to officers with less than 14 years commissioned service, like the Aviation Continuation Pay Program, would jeopardize retention of these officers prior to commander command and reduce the overall quality of officers available to command our nuclear ships and squadrons.

QUESTION 45: By percentages, what are the commissioning sources of your nuclear power officers?

ANSWER 45: The commissioning sources of our nuclear power officers are: Naval Academy 40%; ROTC 27%; OCS 26%; Other 7%.

QUESTION 46: Admiral Trost said in a speech that an officer in the Navy, in particular, a Naval Academy graduate, for he was addressing the Naval Academy at the time, without deep technical knowledge, will, and I quote, ".... always be a wallflower in the ballroom of progress and their success in the (Navy) will suffer accordingly." What is your opinion of that observation? What percentage of minority midshipmen at the Naval Academy are majoring in Engineering? in non-technical majors?

ANSWER 46: I agree the ability to understand and assimilate technical material can be a significant advantage in many jobs in our Navy and in some, it is essential. With the technology explosion taking place, it seems technical knowledge will continue to be of great value in future years. It appears the philosophy at the Academy has reflected the need to understand technical material throughout the Academy's history. When I was a midshipman, we all studied math, science, chemistry, physics, electricity and engineering drawing. This subject material has been most beneficial to me over the years.

Thirty percent of the minority midshipmen at the Naval Academy are engineering majors, thirty-two percent are in non-technical majors, and the remaining thirty-eight percent are math and science majors.

QUESTION 47. Last year the Congress increased the obligated service of Naval Aviators to 8 years. What has the impact been on recruiting aviators from the Naval Academy? from other sources?

ANSWER 47: Since the obligations do not go into effective for USNA/NROTC graduates until 1 Jan 92, consequently, we are not yet able to determine the impact.

QUESTION 48: This year sequestration impacted heavily on manpower, in particular, the sailors who can least afford to absorb the mistakes of management and policy errors. If we are faced with sequestration this year, what would your recommendation to the Secretary of the Navy be about protecting manpower from sequestration?

ANSWER 48: Because we do not yet know what fiscal and manpower situations we will face at that time, I am not in a position to predict what my advice will be.

QUESTION 49: What are your manpower priorities and what initiatives do you intend to take as CNO to insure manpower readiness?

ANSWER 49: The manpower strategy the Navy has adopted for the 1990's is centered on the premise that, as the Navy gets smaller, we have the opportunity to proactively shape the force in order to:

a. maintain readiness of the remaining force structure;
b. improve the quality of life of our sailors;
c. retain high quality personnel;
d. meet the Petty Officer requirements dictated by a high technology force;
e. improve training readiness.

My highest manpower priority is to ensure end strength reductions are tied directly to force structure reductions. End strength reductions absent a reduction in force structure are certain to result in hollow forces and will rapidly erode the readiness existing in the fleet today. Where end strength reductions are appropriate, I intend to accomplish those reductions through reduced accessions to the maximum extent possible. This is the smart thing to do because it maximizes individual unit readiness and the right thing to do because it minimizes the adverse effects of force reduction on our men and women and their families.

In an era of changing demographics and perhaps less interest in military service due to a perception of reduced threat, the Navy will need to continue to attract high quality personnel. train them rigorously and retain them if we are to meet our national commitments. In order to do that, I am going to commit my efforts and funding priorities to enhancement of Navy quality of life, including such areas as family and bachelor housing, child care, medical care, morale, welfare and recreation, family support services and voluntary education. Improved compensation is high on my agenda for the force of the future. But compensation alone, without commensurate commitment to these other quality of life concerns, is not enough. I will always affirm that people continue to be our most important asset.

The bottom line is that the Navy's manpower strategy will deliver the appropriate mix of career experience, which translates directly to readiness, and sufficient junior personnel to sustain the career inventory. We must avoid the hollow units and personnel turbulence of the 70's.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR SAM NUNN

Senator NUNN. Admiral Kelso, all through the 1980s the Navy would come to testify that we need to expand the size of the Navy because of the Maritime Strategy (bombing the Kola Peninsula) and because of advances in the Soviet threat. During the last several years, there has been a dramatic reduction in Soviet naval activity. You testified earlier this year that you felt this was caused by the Soviets' adopting a "defensive strategy".

How is it that the threat can change so dramatically, but the Navy can argue that it still needs the same number of aircraft carriers?

Admiral KELSO. Sir, the threat as seen from the central front in Europe and as evaluated based on changes in attitudes of Soviet leaders, in the minds of many, has been significantly reduced in the past year. I believe most of us in the Navy accept this change in the world. At the same time, we see the economic and political instability which remains in the world and we believe it is important to be prepared to respond to potential crises should the national leadership call upon naval forces to respond. Throughout my career, the Navy has been used often as a stabilizing influence in similar situations. The size of the Navy, during most of this time, has been such that we met these contingencies with great difficulty and at the expense of hardships to our people and material degradation to our hardware. Looking back over this history indicates we needed about 14 carrier battle groups to meet the operational tempo that has been maintained. Some of this operating tempo was driven by our perception of the Soviet threat, as well as Third World contingency response and training requirements. For instance, we maintained two carrier battle groups in the Mediterranean much of the past 20 years in response to a NATO DPQ commitment. Most uses of these forces over the period have been in response to crises in the Middle East which were not in response to Soviet actions. We have, in the eighties, as a result of lessening tensions in the Mediterranean, reduced our forward deployed naval combatant forces in this area by half. From my perception in Norfolk, responding to the Persian Gulf crisis in the late eighties stretched our units to the limit and in some cases we could not respond without exceeding the goals we had set for personnel tempo. This was a period when we had the largest Atlantic Fleet since the sixties. Hence, I believe the Navy has based the argument for a Navy of about the same size on the belief that this historical use would continue and we would need a Navy near the current size to operate in this manner and have the capability to retain our people and maintain the material readiness of the units.

Perhaps we have been inconsistent in our presentation of the threat versus forces required over the years. Most wargames and military analysis have indicated higher levels of forces needed to win a full blown global conflict than were ever affordable for our country. Past war history of this century verifies this conclusion. The U.S./U.K. thought they needed, for instance, over 1,300 ocean escort type ships in 1942 (there were 300 then being built in allied yards); we had more than 5,000 ships at Normandy. Hence, during peacetime we have debated the affordable level of forces and the degree of "acceptable risk". I believe this affordable force in the eighties turned out to be about the same force we have traditionally needed to meet historical operating tempo. With the real and perceived changes in the world, I think the dichotomy in justification which you have questioned is a part of the change being experienced in the world. I agree the Soviet threat has diminished; I am not sure what future operating tempo will be directed for our Navy, but with the instability which exists, I believe its presence mission will be required for several years to come.

BATTLEGROUPS

Senator NUNN. During this committee's hearing on May 25 on the *Iowa* explosion, the General Accounting Office witness testified that, and I quote, "Given the unanswered safety-related questions, and the usefulness and supportability concerns, the two remaining battleships seem to be top candidates for decommissioning as we look for ways to scale back U.S. forces."

What is your reaction to this testimony?

Some have said that forces other than full aircraft carrier battle group might be useful in filling the "presence", or show-the-flag mission. That was one of the reasons some people argued in favor of reactivation of the battleships.

Could or would you use battleships in lieu of carriers for some presence missions?

Admiral KELSO. I believe the decision to retire two of the battleships was the correct one. By retaining one in each fleet we retain a measure of their capability while recognizing the restraints of a shrinking budget. They have proven their worth in a wide variety of missions since their reintroduction to the force.

The selective use of Battleship Battlegroups (BBBGs) in the North Arabian Sea has allowed us to ease the demands somewhat on our heavily employed aircraft carriers. In addition, when operating with other appropriate units, these ships can successfully be used to respond to mid-to-low level crises. They provide an unparalleled ability to support Marine units ashore if hostilities require that type of action.

The BBBG provides an additional strike force that can respond to crises where an aircraft carrier battlegroup is not required or available. The battleships give the Fleet Commanders a margin of flexibility in CVBG employment and some relief from other demands on aircraft carriers. The battleship, as a capital ship, is very effective performing a presence mission. Moreover, with its SLCMs and 16-inch guns, it is unmatched by any other surface vessel in its organic strike capability. Our battleships are the most survivable surface combatants afloat. These capabilities would be lost with their elimination from the inventory.

With respect to 16" gun safety, I fully support the Navy decision to suspend operation pending further testing. I'll reserve judgment on their future operation pending test results.

RESERVE PROGRAM INITIATIVES

Senator NUNN. There is a greatly reduced risk of war. There is also the likelihood that any major war with the Soviets that we can foresee now would likely be preceded by weeks or months of warning time within which to gear up. The Vice Chairman of the Joint Chiefs of Staff, Admiral Jeremiah, has been quoted as saying that warning times could be as long as 2 years. This, to me, raises the possibility of greatly increased reliance on the Reserves. As I said on the Senate floor, "The presumption should rest with placing as much capability in the Reserve component forces as possible in this new era." In your responses to your prehearing questions, you have indicated an intention of exploring ways to increase the utility of Reserves after a period of mobilization, given the greater warning time that will be available in the future.

Can you describe for us how the Navy could accomplish this?

Admiral KELSO. In view of the increased warning time associated with potential superpower conflict, we are examining options for the Naval Reserve to:

- preserve our substantial investment in ships and aircraft while reducing overall operating costs;
- improve Selected Reserve (SELRES) training so our Naval Reserve can better serve as the basis of a naval mobilization force;
- tie the readiness/availability of reserve assets (beyond those required for SELRES training) to the national assessment of strategic warning, and
- increase the demographic base from which Navy Selected Reserve personnel can be drawn.

Senator NUNN. There have been other reports, however, that the Navy intends to move some of its Reserve forces back to the Active forces.

Could you describe what rules you would use in deciding about which forces or missions belong in each of the Active and Reserve components?

Admiral KELSO. Several times each year (as part of the iterative PPBS and deliberate planning processes) the force structure and force mix of virtually every mission area in the Navy are evaluated to ensure that the Total Force meets national strategic requirements and "fits" our budget authorization. The rules used for making force mix decisions are relatively straight forward: the proposal must not degrade our Active forces ability to carry out their peacetime role; it must be supportable by the Reserve component in terms of demographics; and lastly it must be cost effective.

One example of a force mix decision that will result in moving forces from the Reserve to the Active component is in the area of mine contermeasures. Until recently, virtually all of Navy's minesweepers were Reserve. As a result of lessons learned in the Persian Gulf, we are adjusting our force mix to assure sufficient minesweeping capability is available in the Active component to meet short-fused contingency operations. Whereas all the new construction minesweepers were originally planned for the Reserve component, Navy intends to keep the first 12 of these units in the Active component.

FLEET SIZE DEPENDENT UPON PEACETIME PRESENCE

Senator Nunn. Several weeks back, Admiral Dunleavy testified that it takes 7.6 carriers in order to keep a continuous peacetime presence in the Indian Ocean. The Congressional Research Service independently came to the same conclusion.

That means that it takes 8 carriers, 46 cruisers and destroyers, 16 attack submarines, 800 combat aircraft, etc. This is an enormous investment that could reach as high as $300 billion.

Is the value of "presence" in the Indian Ocean worth $300 billion? Can't we find a cheaper way to provide presence in that area?

Admiral Kelso. The money that the American taxpayers have spent on these carrier battlegroups is an investment in naval capability, not in presence at a specific locale. Like any monetary investment, this expenditure must be justified in terms of long term performance, return on investment, and superiority to other options. Our most recently decommissioned carrier, the U.S.S. *Coral Sea*, served our national interests for 47 years, during which time the areas into which she sailed and the specifics of our foreign policy varied widely. These forces provide the U.S. Government with an unparalleled means of exerting suasion in peacetime through presence and victory through overwhelming force in war. The location and employment of these assets in peace or war is a decision for the National Command Authority and may be transitory in nature. The capabilities which these carrier battlegroups possess are neither transitory in nature nor readily restored once they have been eliminated. The cost of maintaining these capabilities is not insignificant. Nor is it exorbitant in view of the uncertainties that remain in the world and the extent of continuing U.S. interests and responsibilities. Given the time required to build or recommission a carrier battlegroup that has been eliminated, these forces may not be available when we need them no matter what we are willing to pay.

The types of threats the Nation is most likely to face in the 1990s will require two critical capabilities—mobility and power projection—precisely the capabilities of the carrier battlegroup and afloat Marine forces. In any scenario that includes an airborne threat or one that requires air power projection ashore, such as in the Indian Ocean, the carrier battlegroup is the appropriate and most effective unit of force. It is the only force which has the capability to positively identify hostile aircraft before reacting, which can be so very important in any regional scenarios with peace time rules of engagement. The carrier battlegroup has proven its deterrent as well as offensive capability time and time again since the end of the Second World War. There is no real substitute for the carrier.

There are, however, lesser demanding and different threat scenarios which may be met by other naval forces. We can mix forces in several combinations to suit the purpose. A good example is the task force now poised off the coast of Liberia, standing ready to evacuate U.S. citizens. This task force is comprised of an LHA, LPD, LST, destroyer and an oiler. [illegible] LHA is carrying both AV-8Bs and H-46 and H-53 helicopters. Embarked Marines [illegible] trained and ready to conduct the operation ashore. This tailored force, sailed on short notice from the Mediterranean, has all that is needed to accomplish the task. It is a classic example of your Navy/Marine Corps team protecting U.S. interests in a situation that, without us, could pose a grave danger to Americans abroad.

We are looking at other ways to provide presence in areas that do not require an aircraft carrier battle group.

Senator Nunn. We didn't have continuous presence in the Indian Ocean in the 1960s or 1970s, and cut it back in the 1980s until the administration decided that U.S. forces would be sent to escort re-flagged Kuwaiti tankers in the Persian Gulf. What is going on in the Indian Ocean and Persian Gulf today that requires a continuous carrier presence?

Admiral Kelso. In the Indian Ocean and Persian Gulf the safe passage of free world oil supplies remains a key concern. Iran and Iraq, though they have observed a cease fire for approximately 2 years, still have deep rooted ethnic, territorial, and political differences. The potential disruption of oil flow through the Strait of Hormuz as well as the threat to our allies makes regular periodic U.S. naval presence in this region essential. We do not currently maintain continuous carrier presence, but provide either a carrier or battleship battlegroup presence for 6 months of the year. We are approaching the level of surface combatants in the Persian Gulf which was present before the Iran-Iraq struggle. Every American administration since the late forties has maintained a U.S. naval presence in the Persian Gulf.

Senator Nunn. If it takes 7.6 carriers to have a continuous presence, if we choose to have a presence half of the year in the Indian Ocean, can't we get by with three fewer carriers in the Active force?

Admiral **KELSO**. Over the past 2 years, the de facto ceasefire in the Iran-Iraq War has enabled us to reduce the U.S. Navy's Indian Ocean/Persian Gulf operating profile. For example, the number of surface combatants and minesweepers in the Gulf has been trimmed substantially and the requirement for year-around battlegroup presence in the Indian Ocean has been halved.

Our current aircraft carrier force level allows us to fulfill peacetime presence requirements while retaining some flexibility to surge to meet contingencies or respond to crises outside of our traditional deployment operating areas. I believe we can make some adjustments in our deployment patterns, and indeed will be required to do so as Active force levels decline. We should not, however, pull back from our traditional use of naval forces as primary instruments of U.S. foreign policy. We are a maritime nation and are respected as such throughout the world. Our friends and allies depend on our presence in their waters to guard the peace and provide assurance of equal access to the seas. To pull back is to leave a vacuum that likely will cause instability and resurgence of historical local conflicts.

FAST SEALIFT

Senator **NUNN**. The discussion concerning the research and development of fast sealift technology has generally been limited to the European scenario. With increased warning times, that issue no longer seems as relevant. However, the more likely scenario that would require the presence or use of U.S. ground forces is Third World contingencies, as evidenced by our having Navy and Marine Corps forces off the coast of Liberia now.

What are your views concerning the utility of fast sealift in connection with Third World contingency scenarios, particularly in areas remote from the United States or forward U.S. bases?

Admiral **KELSO**. Our existing fleet of eight fast sealift ships, capable of deploying a heavy division's unit equipment plus a part of it's Corps support is more than adequate to support a small Third World contingency.

Joint Staff is currently reviewing and updating Third World planning scenarios. When this information is available, we will be better positioned to determine whether our current and projected mobility assets will be adequate enough to support a major regional contingency or whether we will need to augment the Fast Sealift ships with additional conventional sealift, fast sealift, prepositioning ashore or prepositioning afloat.

Senator **NUNN**. Admiral Kelso, even after the U.S. Special Operations Command assumes complete responsibility for its own budget, the Navy and the other services will still have to provide important support to the Command. For example, the Command will have to rely upon the services for personnel and some acquisition services.

Have the Navy and the Special Operations Command concluded all the necessary agreements for this support to be provided? (Service support for personnel and acquisition.)

Admiral **KELSO**. Navy and the Special Operations Command have signed two Memoranda of Agreement defining our responsibilities and authority for training and for POM & Budget.

We are in agreement on a third Memorandum of Agreement for Research, Development and Acquisition (RDA MOA) and that document is now in final staffing with no issues remaining.,

A fourth and final document will serve to tie together any "loose ends" not already covered by the three core MOAs that address Training, POM & Budget and RDA. We will complete all MOAs before summer's end.

Senator **NUNN**. What priority do you assign to the Navy's role in our Special Operations Forces?

Admiral **KELSO**. The Navy will give support for Special Operations Command a high priority. We have important roles in special operations and Low Intensity Conflict and will fulfill these responsibilities.

ELECTRIC DRIVE

Senator **NUNN**. One of Admiral Trost's major policy initiatives was declaring that future Navy surface combatants will be powered by Integrated Electric Drive (IED). Do you have any views on whether you intend to follow through on this initiative?

Admiral **KELSO**. We are following through on this initiative. ASN(RD&A) has completed his preliminary review of the Integrated Electric Drive (IED) Program and has directed the Program Manager to proceed with a restructured program and to prepare for a Navy Program Decision Meeting (NPDM). The ultimate requirement for IED remains the follow-on DDG-51/Battle Force Combatant (BFC) to be awarded in the fiscal year 2000 timeframe. The restructured program calls for full scale development of IED vice technology demonstration. A baseline system could be introduced on a fiscal year 1996 award AOE. This system would include electric drive, intercooled-regenerated (ICR) gas turbine engine and propulsion-derived ship service (PDSS) power. For fiscal year 1996 and subsequent ship contract awards, the ICR gas turbine and possibly PDSS would be installed on all DDG-51 ships. The advanced technologies (propulsor, electrical distribution, and condition monitoring and control) would be developed as preplanned product improvements to support a fully capable IED system on the BFC.

CNO INITIATIVES

Senator NUNN. Have you yet identified any major initiatives for your tenure as CNO?

Admiral KELSO. I am comfortable with the course that Admiral Trost has set in Research and Development. I will develop my own initiatives over time and look forward to working with Congress in developing them as we capitalize on the opportunities available in these dynamic times.

QUESTION SUBMITTED BY SENATOR ALAN DIXON

Senator DIXON. Admiral Kelso, I'm concerned that the Navy's current shipbuilding plans do not reflect the correct priorities. Do you believe that the Navy is placing enough emphasis on amphibious shipping and strategic sealift to meet our future force projection needs?

Admiral KELSO. My response to this question treats amphibious shipping and strategic sealift separately because of the unique contribution that each makes to the total warfighting effort.

First, the Navy shipbuilding program provides adequate emphasis on amphibious shipping. Navy amphibious ships provide the Marine Corps with the unique capability to project power by conducting forcible entry operations from the sea. These operations are only one of several ways that naval forces can project power ashore (carrier air strikes, cruise missile attack, shore bombardment, etc). Before these power projection operations can be conducted, naval forces must establish sea control in the required operating area to ensure success. The Navy shipbuilding program represents a balance between these critical warfighting missions and the peacetime mission of deterrence. This balance was worked-out by the senior leadership of the Navy-Marine Corps team. By fiscal year 1992 we will achieve 100 percent of the required average lift capacity to support the Marine Corps force structure. The shipbuilding program maintains this capability throughout the 1990s. This force is adequate to meet likely contingencies and we will continue to evaluate specific requirements based on the changing strategic environment.

Second, strategic sealift programs are also receiving the proper emphasis. Like amphibious shipbuilding programs, strategic sealift programs are balanced with other critical warfighting missions and capabilities. For global conflicts and major regional contingencies, we will continue to rely heavily on the private sector to provide the majority of our required sealift. The strategic sealift fleet provides capabilities that are not available in the private sector and it is sized to lift notional Army forces for the most likely contingency scenarios. To meet these contingency requirements, we have spent over $7 billion in the last 10 years to purchase 8 Fast Sealift Ships (FSS), 13 Maritime Prepositioning Ships (MPS), 12 other prepositioning ships, and 95 militarily useful ships for the Ready Reserve Force (RRF). The Department of Transportation, Maritime Administration (MARAD), controls the procurement of ships for the RRF and continued emphasis on adequate funding for this program is needed to ensure that we can continue to meet strategic sealift requirements.

QUESTION SUBMITTED BY SENATOR JOHN GLENN

EXEMPTION OF MILITARY PERSONNEL FROM SEQUESTER

Senator GLENN. Last year, the administration broke precedent of previous administrations by not exempting military personnel from it's Gramm-Rudman sequester decision.

I trust that you followed what ensued—we had to bail you out with a reprogramming action that in effect broke the Gramm-Rudman sequester principle to protect military personnel who were put at risk by the administration's decision.

I was disappointed that when the sequester decision was being made that the Department of Defense did not recommend that military personnel be spared. So the rhetoric that was put out by DOD that military personnel was Defense's first priority was not matched by action.

As the administration approaches another Gramm-Rudman sequester decision this year, what do you intend to recommend with regard to the exemption of military personnel from the sequester?

Admiral Kelso. Because we do not yet know what fiscal and manpower situations we will face at that time, I am not in a position to predict what my advice will be.

Questions Submitted by Senator Trent Lott

Senator Lott. Admiral Kelso, in your responses to the previously submitted questions you identify the importance of the Marine Corps to the changing role of the Navy.

I agree with you. The Marine Corps is a critical element in our force projection capability. Some people, however, have suggested that we have too many Marines. These people argue that since we don't have enough amphibious lift to get all the Marines to the conflict—we must have too many Marines!

To me this sounds like lowering the river instead of raising the bridge.

What impact would reduction of the Corps by one MEF have on the Navy's force projection capability?

Admiral Kelso. Deployment options for Marine forces consist of various mixes of amphibious ships, strategic airlift and strategic sealift, including Maritime Prepositioning Forces. Amphibious ships provide forcible entry capability when such is required. Reduction of the Corps by one would limit options available to the CINCs in terms of the total forces available for commitment and the number of simultaneous contingencies which could be executed. Within these constraints, the Navy would retain its force projection capability.

MARINE CORPS

Senator Lott. A significant advantage of the Marine Corps' power projection capability is its over-the-horizon assault capability from amphibious shipping. How is this capability impacted by reduced funding for amphibious shipping?

Admiral Kelso. The ability to conduct over-the-horizon amphibious operations, including assaults, depends on the capabilities of the ship-to-shore transports and on the ability of amphibious ships to both lift and operate those assets. Ship-to-shore aircraft are inherently over-the-horizon assets. The Landing Craft Air Cushioned (LCAC) is the key asset required for surface assault over-the-horizon capability. The procurement of LCAC and the ships to lift them are matched to the overall amphibious lift goals. Whatever the ultimate size of the amphibious force, it will be capable of over-the-horizon operations.

V-22 OSPREY

Senator Lott. The Marine Corps has a need for a new medium lift aircraft. Existing vertical lift technology is at the outer limits of its development. The V-22 is a real option which can both meet the mission of over-the-horizon assault and advance our technology. Would you comment on the Medium Lift Requirement and the options you would pursue for meeting it?

Admiral Kelso. The Department of the Navy recognizes the need to replace the aging fleet of CH-46's. There is no question that it is the Marine Corps' top priority. The DON is evaluating alternative force mixes to meet this requirement. Congress also directed a Cost and Operational Effectiveness Analysis (COEA) to evaluate the V-22 and alternatives. The results of the COEA should be delivered to OSD by the end of June. We believe this study will provide the framework for a decision as to the configuration of the replacement aircraft. Our goal is to provide a replacement for the CH-46 at a reasonable cost and with the requisite capabilities.

SHIPBUILDING

Senator Lott. The Persian Gulf operation provided us a prime opportunity to evaluate our naval capability today. I think we learned many things. We rediscovered some of our strengths, proved our force projection capability and learned where some of our weaknesses were. One of the most obvious deficiencies was our minehunting capability.

What do you think we learned from the Persian Gulf operation, and what priority do you place on improvement of our minehunting capability?

Admiral Kelso. Although successful, the Persian Gulf mine countermeasures operations were conducted using old (1950s/60s/70s technology) platforms and equipment. The need for improved capability was clearly identified through the difficulty encountered in clearing the Persian Gulf mines . . . mines which represented the most basic and elementary-mining technology available (pre-World War I technology). Responding to this need for new capability, a need that is further driven by projected encounters with more sophisticated mines than those found in the Persian Gulf, the Navy has underway a very aggressive, high priority program to improve our mine countermeasures posture. In particular, the Secretary of the Navy advised Congress in a letter dated 7 February 1990 (to Senators Inouye, Kasten, and Stevens, and to the Senate and House Committees on Armed Forces and Appropriations) that the Navy is increasing its goal for force levels by 8 coastal, 8 deployable, and 13 helicopter platforms bringing the total to 47 surface and 44 helo platforms. In addition, several new mine countermeasures programs have been initiated or will be initiated shortly to provide an organic mine countermeasure capability to the fleet, to counter buried mines, to enhance our capability to mechanically sweep moored mines, and to enhance our shallow water mine countermeasure capability.

Senator Lott. You have stated that the Marine amphibious assault is a critical element of our force projection capability. The heart of our amphibious assault fleet is the LHD.

Recently a Navy/Marine Corps team completed a study of the Integrated Amphibious Operations and USMC Air Support Requirements. The intent and focus of the study was to identify for future budget consideration future amphibious/air support requirements, based upon three levels of potential conflict—low, medium and high intensity conflicts.

According to this study, a minimum of 7 LHDs are required to meet the lowest intensity conflict projected as probable missions for the Corps. Currently we have only five LHDs, which leads me to believe we need at least two more LHDs.

Are you aware of this study and do you support its conclusions?

Admiral Kelso. I have been briefed on the results of the Integrated Amphibious Operations and USMC Air Support Requirements Study. That study does not establish a specific requirement for any program. The study addresses a variety of operational capabilities, describes the assets required for each and estimates the costs. It is a guide to be used when considering total force operational capability versus budget constraints. In that sense, it is a valuable tool for use in establishing affordable ship and aircraft procurement objectives.

Senator Lott. The DDG-51 program has received a lot of attention over the last year. One member of the House has suggested that the AEGIS system does not work as advertised, and further recommended that we stop or slow procurement until all testing is complete.

What is your assessment of the DDG-51? Does it work effectively against all types of hostile air or sea launched missiles?

Admiral Kelso. *Arleigh Burke* (DDG-51) has been designed to meet the requirements of the projected operational environment over the foreseeable future. DDG-51 is truly a multi-mission combatant, capable of responding across the spectrum of conflict.

DDG-51 incorporates the most advanced technology available in the area of anti-air warfare (AAW). Based on the state-of-the-art phased array radar, *Arleigh Burke* provides markedly improved capability over the retiring DDG-2 and 37 class ships in terms of performance, reaction time, firepower, availability and area coverage. The SPY-1D radar is designed to detect targets at long range in a clear environment and offers quantum improvements in jamming and high clutter environments. This capability will bring new clarity to the surveillance mission. The AAW weapon system provides fast response from target detection to launch of missiles from her vertical launcher, enabling rapid defense against sudden attack.

Arleigh Burke has the striking power necessary to affect events ashore, through the Tomahawk Weapon System and the flexibility of the Vertical Launching System (VLS). Additionally, her 5"/54 gun mount allows accurate Naval Gunfire Support (NGFS) in concert with Marine Expeditionary Forces on the beach. DDG-51's impressive Anti-Submarine Warfare (ASW) capability with the bow mounted SQS-53C sonar, SQR-19 towed array, and Lamps MK III electronics provides long-range passive and active detection, classification, and localization for ASW and anti-surface warfare (ASUW) engagements. Harpoon in twin canister launchers completes her ability to maintain local superiority over potential adversaries.

As important as its offensive capabilities may be, the DDG-51 incorporates many of the survivability lessons learned and relearned since World War II. Survivability is enhanced through all steel construction, topside armoring, and a comprehensive collective protection system, which will allow the ship to guard against nuclear, biological and chemical agents. All vital equipment and spaces are located low in the hull, with system redundancy built in, and greatly enhanced hardening against electromagnetic pulse and overpressure damage from blast. Acoustic, infrared and radar signatures have been reduced, making the ship more difficult to detect and target. Installed firefighting and damage control equipment are the best systems fielded in the fleet today. These features ensure that DDG-51 can continue to fight hurt, and win across the spectrum of conflict.

Our AEGIS fleet, of which DDG-51 is the most recent addition, is a prime example of success in keeping pace with the threat, and testing to that threat. AEGIS has been subjected to extensive testing over many years at both the subsystem and total weapon system level. The capability of AEGIS has been shown in over 31,100 hours of operational testing, including more than 300 days of testing at sea. The entire threat inventory has been replicated, and in scenarios representative of wartime environments. Based on the results of this testing, I can assure you that the AEGIS system has been proven -effective against the full range of threats, including anti-radiation missiles (ARM).

Senator Lott. Recently much has been said about an increased subsurface threat from Third World countries. This proliferation concerns me. The projected cost of the *Seawolf* will not allow us to build platforms at a rate rapid enough to counter this proliferation. Is it not time to begin developing a high/low mix of submarines? Why don't we look at applying some of our scarce resources to the more economical, yet effective, conventional powered submarines for regional missions?

Admiral Kelso. While it is true that Third World countries are aggressively pursuing submarine technology, it is not true that we will have an insufficient number of *Seawolf*-class submarines to meet this threat. When one considers what attack submarine force level is required to meet the entire spectrum of projected threats, the most important factor that must be considered is the overall force capability.

The SSN-21 incorporates quantum improvements over the Improved 688 Class of submarines in virtually every area of submarine capability, including quieting, sensors, and firepower. *Seawolf* will enable the United States to execute national policy across the entire spectrum of possible threats, even in reduced numbers. *A more capable and cost effective submarine cannot be built.* (*Seawolf* is projected to be three times more capable than an I688, but will cost only about 33 percent more.) Thus, in today's austere fiscal climate, it would be imprudent to devote scare resources to another submarine design that could not match the *Seawolf* in capability.

With regard to conventional powered submarines, one must remember that they are only suitable for a limited number of ASW and power projection missions. If a conflict were to develop, whether regional or global, U.S. attack submarines would be required to rapidly deploy and meet the threat far-forward in a hostile, unsupported environment. Diesel submarines lack the mobility and endurance of modern SSNs and many of the missions that would be required in controlling cannot meet this basic, unchanging requirement. In addition, regional conflicts such as covert intelligence gathering, special forces insertion, and strike, cannot be performed by diesel submarines.

The capability that the SSN-21 will bring to our submarine force, even in reduced numbers, will be the key to our ability to execute national policy across the entire spectrum of possible conflicts in the 21st century.

Senator Lott. Admiral, in your answers to previously submitted questions, you responded to several questions on the Navy's role in the counter-drug effort. In your responses you state, "There has been a discernable shift in traffic patterns throughout the Caribbean due to the increased DOD and law enforcement agency presence there."

Given this fact, doesn't it make sense to locate a fleet presence on the Gulf Coast? A lot of people maintain that the new homeports are pure, unadulterated "PORK". The truth is, there are several critical mission requirements met by a Gulf Coast presence, only one of which is the counter-drug effort.

Would you please comment?

Admiral Kelso. We are currently conducting counternarcotics operations throughout the Caribbean and must maintain flexibility to react to evolving transit patterns. It should be noted, however, that no ship will be singularly or exclusively dedicated only to counternarcotics operations. They must also train with other com-

batants and perform overseas deployments in rotation with ships in other homeports which will also be engaged in support of law enforcement operations at various times.

Beyond this issue, there are other very important strategic and operational considerations. As you know, we are currently examining all aspects of the relationship of shore establishment structure to force structure. Our criteria for retention, realignment or closure of an installation include the military utility, the cost of the base and the cost to close the base. Our goal is to ensure that our base structure is both cost effective and adequate to properly support the fleet, both deployed and non-deployed, for all mission requirements.

DEFENSE MANAGEMENT REVIEW

Senator LOTT. Part of the Defense Management Review (DMR) included the possibility of transferring the ship acquisition responsibility from the Navy to the Defense Logistics Agency (DLA).

In your view, should DLA be the procuring agent for U.S. Navy ships? Does the Defense Logistics Agency have the expertise to manage the procurement of Navy ships, particularly those with nuclear propulsion systems?

Admiral KELSO. At present, nearly all of the talented ship design, planning and acquisition personnel in the United States work for one of the many offices in the Navy dedicated to this complex task. I can not foresee any procurement improvement that could be expected to accrue from moving all of those people's place of employment to DLA. I would recommend against moving the design and procurement of nuclear plants and ships away from the men who go to sea with them and operate them 24 hours a day, year in and year out. The present system works and works well; I would not recommend changing it.

[The nomination reference of Adm. Frank B. Kelso, II, USN, follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
February 20, 1990.

Ordered, That the following nomination be referred to the Committee on Armed Services:

The following named officer for appointment to the grade of Admiral and Chief of Naval Operations under the provisions of title 10, United States Code, sections 601 and 5033:

To be Chief of Naval Operations

To be Admiral

Adm. Frank B. Kelso, II, U.S. Navy, 410-50-8737/1220.

[The biographical sketch of Adm. Frank B. Kelso, II, USN, which was transmitted to the committee at the time the nomination was referred, follows:]

DEPARTMENT OF THE NAVY
BUREAU OF NAVAL PERSONNEL
WASHINGTON, D.C. 20370-5000

IN REPLY REFER TO
20 Feb 1990

Dear Mr. Chairman:

The President, under the provisions of Section 5033, Title 10, United States Code, has submitted to the Senate the nomination of Admiral Frank B. Kelso, II, U. S. Navy, for reassignment in his current grade and appointment as Chief of Naval Operations.

Admiral Kelso is presently serving as Supreme Allied Commander, Atlantic/Commander in Chief, U. S. Atlantic Command. He is 56 years of age.

This action will not result in the Navy exceeding the number of authorized four-star positions.

For the information of the Committee, I am enclosing a career resume on Admiral Kelso which includes a summary of his joint duty assignments.

Most respectfully,

J. M. BOORDA
Vice Admiral, U. S. Navy

The Honorable Sam Nunn
Chairman, Committee on Armed Services
United States Senate
Washington, DC 20510

cc: The Honorable John Warner
Ranking Republican
Committee on Armed Services
United States Senate
Washington, DC 20510

TRANSCRIPT OF NAVAL SERVICE FOR ADMIRAL FRANK BENTON KELSO II U.S. NAVY

11 JUL 1933	Born in Fayetteville, Tennessee
10 JUN 1952	Midshipman, U.S. Naval Academy
1 JUN 1956	Ensign
1 DEC 1957	Lieutenant (junior grade)
1 JUN 1960	Lieutenant
1 JUL 1965	Lieutenant Commander
1 OCT 1969	Commander
1 JUL 1976	Captain
JUL 1980	Designated Rear Admiral while serving in billets commensurate with that grade
1 MAR 1981	Rear Admiral
1 MAY 1985	Designated Vice Admiral while serving in billets commensurate with that grade
30 JUN 1986	Designated Admiral while serving in billets commensurate with that grade Service continuous to date

ASSIGNMENTS AND DUTIES	FROM	TO
Naval Amphibious Training Unit, Little Creek, Norfolk, VA (DUINS)	JUN 1956	AUG 1956
USS OGLETHORPE (AKA 100)	AUG 1956	DEC 1957
Naval Submarine School, New London	DEC 1957	JUN 1958
USS SABALO (SS 302)	JUN 1958	DEC 1959
Naval Submarine School, New London (DUINS)	DEC 1959	JUN 1960
Atomic Energy Commission, Schenectady Naval Reactor Operations Office and Naval Nuclear Power Training Unit, West Milton Site, Schenectady, NY	JUN 1960	JAN 1961
Naval Submarine School, New London, CT	JAN 1961	MAR 1962
Headquarters, FOURTH Naval District (CFO USS POLLACK (SS(N)603))	MAR 1962	JUN 1963
USS POLLACK (SSN 603)	JUN 1963	DEC 1964
USS DANIEL WEBSTER (SSBN 626) (BLUE) (Eng. Off.)	DEC 1964	DEC 1966
USS SCULPIN (SSN 590) (XO)	DEC 1966	OCT 1968
CO, Naval Nuclear Power School, NTC, Bainbridge, MD	OCT 1968	AUG 1971
Division of Naval Reactors, U.S. Atomic Energy Commission	AUG 1971	DEC 1971
Staff, Commander Submarine Force, U.S. Atlantic Fleet (DUINS)	DEC 1971	MAR 1972
CO, USS FINBACK (SSN 670)	MAR 1972	SEP 1972
Staff, Commander Submarine Force, U.S. Atlantic Fleet (Asst. Force Nuclear Power Off.)	SEP 1972	FEB 1973
USS BLUEFISH (SSN 675) (PCO)	FEB 1973	APR 1973
CO, USS BLUEFISH (SSN 675)	APR 1973	AUG 1975
CINCLANTFLT (Aide and EA) ADDU: Staffs, CINCLANT/CINCWESTLANT/COMOCEANLANT	AUG 1975	OCT 1976
CINCLANTFLT (EA to CINC/SACLANT) ADDU: Staffs, CINCLANT/CINCWESTLANT COMOCEANLANT	OCT 1976	AUG 1977
Commander, Submarine Squadron SEVEN	AUG 1977	SEP 1978
Naval Military Personnel Command (Director, Submarine/Nuclear Power Distribution Control Div.) ADDU: Office of CNO (Head Submarine/Nuclear Program Section/Nuclear Power Program Manager)	SEP 1978	JUL 1980
Office of CNO (Director, Strategic Submarine Div. and Trident Program Coordinator) (OP-21)	JUL 1980	JUL 1983

Office of Secretary of the Navy (Director, Office of Program Appraisal)	JUL 1983	FEB 1985
Commander, SIXTH Fleet	FEB 1985	JUN 1986
Commander in Chief, U.S. Atlantic Fleet	JUN 1986	NOV 1988
Supreme Allied Commander, Atlantic/Commander in Chief, U. S. Atlantic Command	NOV 1988	TO DATE

MEDALS AND AWARDS

Distinguished Service Medal with two Gold Stars
Legion of Merit with three Gold Stars in lieu of subsequent awards
Meritorious Service Medal
Navy Commendation Medal
Navy Achievement Medal
Navy Unit Commendation awarded USS SCULPIN (SSN 590)
Navy Unit Commendation awarded USS BLUEFISH (SSN 675)
Navy Unit Commendation awarded Sixth Fleet
Meritorious Unit Commendation awarded USS BLUEFISH (SSN 675)
Navy Expeditionary Medal (Special Operations)
National Defense Service Medal with one Bronze Star in lieu of second award
Armed Forces Expeditionary Medal (Libya)
Sea Service Deployment Ribbon

SPECIAL QUALIFICATIONS

BS (Naval Science) U.S. Naval Academy, 1956
Language Qualifications: None of record

PERSONAL DATA

Wife: Landess McCown, Florence, South Carolina
Children: Thomas B. Kelso (Son)
Born: 6 June 1958
Robert D. Kelso (Son)
Born: 5 December 1959
Children: Mary K. Kelso (Daughter)
Born: 25 April 1962
Kerry L. Kelso (Daughter)
Born: 14 August 1969

SUMMARY OF JOINT ASSIGNMENTS

Assignment	Dates	Rank
Executive Assistant and Aide, Commander in Chief, U.S. Atlantic Fleet\ Commander in Chief, U.S. Atlantic Command and Supreme Allied Commander Atlantic	AUG 75 - AUG 77	CDR/ CAPT
* Director, Strategic Submarine Division and Trident Program Coordinator, Office of Chief of Naval Operations, OP-21	JUL 80 - JUL 83	RADM
* Director of Office of Program Appraisal Office of the Secretary of the Navy	JUL 83 - FEB 85	RADM
Commander SIXTH Fleet/Commander, Strike Force South	FEB 85 - JUN 86	VADM
* Commander in Chief, U. S. Atlantic Fleet	JUN 86 - NOV 88	ADM
Commander in Chief, U. S. Atlantic Command/ Supreme Allied Commander, Atlantic	NOV 88 - PRES	ADM

* Joint Duty Equivalent

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by Adm. Frank B. Kelso, II, USN in connection with his nomination follows:]

UNITED STATES SENATE

COMMITTEE ON ARMED SERVICES

Room SR-228

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearings and will also be published in any hearing record as well as made available to the public.

1. **Name:** (Include any former names used.)
Frank Benton Kelso, II.

2. **Position to which nominated:**
Chief of Naval Operations.

3. **Date of nomination:**
February 20, 1990.

4. **Address:** (List current place of residence and office addresses.)
[Nominee responded and the information is contained in the committee's executive files.]

5. **Date and place of birth:**
July 11, 1933; Fayetteville, TN.

6. **Marital Status:** (Include maiden name of wife or husband's name.)
Married, Landess McCown, June 6, 1956.

7. **Names and ages of children:**
Thomas Benton Kelso, II, 32; Robert Donald Kelso, 30; Mary Kelso Kearns, 28; Kerry Lynn Kelso, 20.

8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.
Central High School, Fayetteville, TN, May 1947 to May 1951.
University of the South, Sewanee, TN, June 1951 to June 1952, no degree earned.
U.S. Naval Academy, Annapolis, MD, June 1952 to June 1956, degree earned, B.S.

9. **Employment record:** List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.
U.S. Navy, June 1956 to present.

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.
None.

11. **Business relationships:** List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

Board of Directors, Armed Forces Benefit Association (Unpaid).

12. **Memberships:** List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

USNA Alumni Association.

U.S. Naval Institute.

13. **Political affiliations and activities:**

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

None.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $100 or more for the past 5 years.

None.

14. **Honors and Awards:** List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Distinguished Service Medal (3 awards).

Legion of Merit (4 awards).

Meritorious Service Medal.

Navy Commendation Medal.

Navy Achievement Medal.

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

SACLANT's Perspective on Forward Defense—article published in periodical *NATO's Sixteen Nations* in September 1989.

16. **Speeches:** Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

SACLANT's Perspective on Forward Defense. [Contained in committee files.]

The U.S. Atlantic Command Strategy, Capabilities and Prospects for the Future. [Contained in committee files.]

17. **Selection:**

(a) Do you know why you were chosen for this nomination by the President?

I think because the current Chief of Naval Operations, Secretary of the Navy and Secretary of Defense recommended me for the position.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

I have held various positions in the Navy both ashore and at sea including command at all ranks since lieutenant commander. Additionally, I have served the Nation in joint assignments as a captain and a flag officer. I have also served 6½ years in assignments in Washington. I believe this experience should be of significant benefit for this appointment.

18. **Commitment to testify before Senate committees:** Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

Name: Frank B. Kelso, II.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past 10 years have your or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employers, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either, individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

FRANK B. KELSO, II, ADMIRAL, USN.

This 6th day of March, 1990.

[The nomination of Adm. Frank B. Kelso, II, USN was reported to the Senate by Senator Albert Gore on June 21, 1990, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on June 22, 1990.]

NOMINATION OF GEN. MICHAEL J. DUGAN, USAF, TO BE CHIEF OF STAFF OF THE UNITED STATES AIR FORCE

THURSDAY, JUNE 14, 1990

U.S. Senate,
Committee on Armed Services,
Washington, DC.

The committee met, pursuant to notice, at 11:19 a.m. in room SR-222, Senator Sam Nunn (chairman) presiding.

Committee members present: Senators Nunn, Exon, Levin, Warner, McCain.

Armed Services Committee staff members present: Arnold L. Punaro, staff director; Andrew S. Effron, general counsel; Marie Fabrizio Dickinson, assistant chief clerk; Richard D. DeBobes, counsel; and Daniel G. Sakura, research assistant.

Professional staff members present: Creighton Greene and Michael J. McCord.

Minority staff members present: Patrick A. Tucker, minority staff director and counsel; George W. Lauffer and Durwood W. Ringo, Jr., professional staff members.

Staff assistants present: Mary J. Kampo and Kelli J. Pronovost.

Committee members' assistants present: Andrew W. Johnson, assistant to Senator Exon; Kenneth N. Luongo, assistant to Senator Levin; William J. Lynn, assistant to Senator Kennedy; Terence M. Lynch, assistant to Senator Shelby; C. Richard D'Amato and Melvin G. Dubee, assistants to Senator Byrd; Patrick F. McCartan, assistant to Senator Wilson; Anthony H. Cordesman, assistant to Senator McCain; Charles G. Pearcy, assistant to Senator Lott; and Eric H. Thoemmes, assistant to Senator Coats.

OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman Nunn. We will now call Gen. Michael J. Dugan to the witness table.

This morning, the committee is considering the nomination of Gen. Michael J. Dugan to be Chief of Staff of the U.S. Air Force. Currently, General Dugan is Commander in Chief of the U.S. Air Forces in Europe. General, we extend a warm welcome to you this morning.

General Dugan is being nominated to lead the Air Force at a period of time that can be described as very challenging. The Air Force is facing a future of unprecedented change. The size of the U.S. Air Force will certainly be coming down. The Air Force has a number of major weapons systems that are entering production at a time of severe budget pressure, and they have a number of challenges which I will not enumerate this morning in the interests of time, but will be part of the record in my statement.

General Dugan has been nominated to serve in a key position as we struggle with these difficult issues. He comes to this assignment with a very distinguished career. Currently, he is the Commander in Chief of U.S. Air Forces in Europe. Prior to his current assignment, he has had numerous staff and command assignments within the tactical air forces as well as in Washington. General Dugan's career in the Air Force began as a successful fighter pilot. He has flown over 300 combat missions. I ask unanimous consent that his entire biography be entered into the record at the appropriate point.

I would also like to place into the record a series of advance questions that I posed to General Dugan and his responses. All members of the committee have received copies of these responses, and without objection they will be part of the record at the appropriate point.

[The prepared statement of Senator Nunn follows:]

PREPARED STATEMENT OF SENATOR SAM NUNN

This morning the committee is also considering the nomination of Gen. Michael J. Dugan to be the Chief of Staff of the Air Force. Currently General Dugan is the Commander in Chief of U.S. Air Forces in Europe. We extend a warm welcome to General Dugan.

General Dugan is being nominated to lead the Air Force during very challenging times. The Air Force is facing a future of unprecedented change. The size of the Air Force will clearly be reduced and the Air Force has a number of major weapon systems nearing production at a time of severe budget pressure.

Some of the key challenges facing the Air Force are:

- Adapting your forces to changes in the threat facing our Nation;
- Determining the balance our Nation requires between forward presence and rapid reinforcement of forces;
- Responding to the challenge of making the Air Force Reserve and the Air National Guard even more effective;
- Maintaining the greatest possible combat punch while reducing overhead in headquarters and support organizations;
- Maintaining a high quality force at lower resource levels;
- Reorienting the Air Force toward "thinking smarter, not richer," which includes greater implementation of "fly before buy", pursuing innovative research to maintain our technological edge, and preserving a viable defense industrial base.

General Dugan has been nominated to serve in a key position as we struggle with these difficult issues. He comes to this new assignment with a distinguished career. Currently he is the Commander in Chief of U.S. Air Forces in Europe. Prior to his current assignment, he has had numerous staff and command assignments within the tactical air forces as well as in Washington. His career in the Air Force began as a successful fighter pilot, and he has flown over 300 combat missions. I ask unanimous consent that his entire biography be entered into the record.

I would also like to place in the record at this point a series of advance questions I posed to General Dugan and his responses. All members of the committee received copies as soon as I received them.

Let me ask Senator Warner for any remarks he would like to make, and then General Dugan, we will have you proceed with any statement you wish to make.

Chairman NUNN. Are there any other opening statements? Senator Warner, do you have any comments this morning?

Senator WARNER. Thank you, Mr. Chairman. You mentioned the distinguished combat record of this aviator, and it should also include—I do not know exactly how to extrapolate it, but there were over 300 hours of flying in combat. I think that serves as a role model in the Department of the Air Force to inspire those to try to become Chief like yourself. That is a very important hallmark of your outstanding career, sir. I commend you on a record of many accomplishments that you bring to us here today.

Particularly, it is fortunate at this time that a man who has had such current experience in the European theater moves to the head of the Department of the Air Force on the uniformed side to work on such issues as Crotone and others which are very important as we begin to look at a phased reduction in our forces in that area. We shall have questions, I am certain, Mr. Chairman, on these points. Thank you.

Chairman NUNN. Thank you, Senator Warner. I am going to ask Senator McCain, who is personally acquainted with and has known General Dugan, to make an introduction of General Dugan before I call on General Dugan, but first, before I ask Senator McCain to do that, Senator Exon, do you have any comments?

Senator EXON. I have no comment. I just want to say what I said about the previous nominee. I am enthusiastically supporting General Dugan, and because of a previous commitment I must leave by 11:30, Mr. Chairman. I have one basic question that I will read now and ask to be included in the record.

I talked with the general about this yesterday when he was in to see me. The question has to do with what future do you see for the Rail Garrison MX and the small ICBM in the post-START Treaty Triad? I would like to have your answer to that for the record, General, and I welcome you here, and I am sure that we will promptly confirm this great nomination. Thank you.

[General Dugan failed to respond to the committee's request in a timely manner. Answers will be retained in the committee's files.]

Chairman NUNN. I think Senator Exon said, in your absence, General, that he is willing to give up the home porting of the Strategic Air Command in Omaha. [Laughter.]

Senator EXON. Oh, no comment. [Laughter.]

Chairman NUNN. Senator McCain has known General Dugan, and he would like to be recognized and is recognized for a special introduction.

STATEMENT OF HON. JOHN McCAIN, U.S. SENATOR FROM THE STATE OF ARIZONA

Senator MCCAIN. Thank you, Mr. Chairman. It is a pleasure to say a few words about General Dugan. I have known him for several years. He has a couple of failings that I would like to point out. He attended West Point, and also he was not born in Arizona, but he has come a long way to try to offset those two problems—one being that he has four children who have been educated in Arizona. His advanced pilot training was at Luke Air Force Base. He has had three follow-on tours at Air Force bases in Arizona. I hope he is registered to vote there. [Laughter.]

More seriously, Mr. Chairman, I think we are fortunate, as you have mentioned and Senator Warner has, that we have a man of General Dugan's quality and capability and his experience and background. As has been mentioned, he has combat missions—300. He has been involved in planning activities that will be necessary to shape the Air Force in the future, and he has of course been recognized, I think deservedly so, by the proud holder of the Distinguished Service Medal, Silver Star, and many other awards.

We sometimes forget the sacrifices our military make. General Dugan has served, and served very well, and I have every confidence, Mr. Chairman, that General Dugan will provide us with the outstanding leadership which is so critical in this time of dramatic transition. So we welcome you, General Dugan, and thank you, Mr. Chairman, for your courtesy.

Senator **Warner**. Mr. Chairman, if you would yield for a moment—Senator McCain, in analyzing this distinguished officer's biographical material, did you find out how he managed to have six children and three of them are now Air Force officers? Is that the all-volunteer force that we spoke of? [Laughter.]

Senator **McCain**. Do you think maybe it has something to do with the lack of water in Arizona? [Laughter.]

As Barry used to say, we have so little that the trees chase the dogs, but I do not know if that is true. [Laughter.]

Chairman **Nunn**. Thank you, Senator McCain. General Dugan, we welcome you here for any opening statement that you would like to make, and then we will go to questions. Before you proceed, I will enter into the record the prepared statement of Senator Thurmond.

[The prepared statement follows:]

Prepared Statement of Senator Strom Thurmond

Thank you, Mr. Chairman:

General Dugan, I join the members of this committee in welcoming you. Your nomination to be the next Chief of Staff of the Air Force is a great distinction, and I offer you my congratulations.

Mr. Chairman, General Dugan and I had a very productive meeting earlier this week. We discussed many of the issues he will be tackling when he is confirmed by the Senate—including finding a new mission for Myrtle Beach Air Force Base.

Based on our discussions, I am confident that General Dugan will take good care of our Air Force and the men and women who serve in it—especially since three of his six children are also serving in the Air Force.

General Dugan, it will be a pleasure to support your nomination. I wish you the best in the difficult job ahead of you.

STATEMENT OF GEN. MICHAEL J. DUGAN, USAF, NOMINEE TO BE CHIEF OF STAFF OF THE UNITED STATES AIR FORCE

General **Dugan**. Mr. Chairman, Senator Warner, Senator McCain, thank you very much. I am honored to be here for the first visit to the Senate Armed Services Committee. If confirmed, I look forward to joining you on a routine basis to discuss important issues facing the United States and facing the United States Air Force. Other than the fact that one of my two children that has not graduated from Arizona is here today, Kathleen Dugan, to give me some adult supervision, I am ready for your questions.

[The prepared statement of General Dugan follows:]

STATEMENT OF: GENERAL MICHAEL J. DUGAN
Commander in Chief
United States Air Forces in Europe

MR CHAIRMAN AND MEMBERS OF THE COMMITTEE

I am most honored by the President's nomination. I am grateful for the recommendation of my superiors. If confirmed, I look forward to working closely with you and your colleagues as we jointly face the challenges and opportunities of these turbulent and exciting times.

I shall keep this statement brief so that we may devote full time to your concerns and questions. However, I would like to reinforce the theme of strategic change that has been the focus of your hearings and deliberations this year, and how I see the Air Force responding.

In my dual role as Commander of Allied Air Forces in Central Europe and Commander in Chief of US Air Forces in Europe, I have been at the "front line" of change and have had the opportunity to witness and, in some regards, manage its initial impact on the United States Air Force. Upon my assumption of command, the Berlin Wall was still standing, Europe was divided by the Iron Curtain, and the Warsaw Pact was a formidable military opponent. Today the wall is down; borders between East and West are porous; the Pact is no longer a credible military or political foe. The strategic map of Europe has been altered. Change has been fundamental and, in many aspects, will likely be enduring.

The primary opportunity and benefit to be derived from these momentous events will be to make the changes stick, gain wise arms control agreements, and achieve a stable military balance at reduced force levels and defense requirements. Our challenge is to do it smart and to pace it wisely with appropriate hedges to protect our interests.

Doing it smart operationally means rethinking our strategic and operational concepts. These are clearly in a state of transition with portions of the historic strategic problem still with us and the future one yet to come into focus. Thus, for the near term we are faced with balancing the requirements of what we see with what we hope will occur. There are opportunities for us to reduce military expenditures. But we should do so at a pace that matches the improving strategic environment.

Over the longer term, I see the primary use of military force:

-- to maintain central strategic deterrence

-- to provide regional deterrence, reassurance, and stability in Europe, Asia, and the Americas

-- to respond to crises and contingencies wherever US vital interests are threatened

Institutions on both sides of the Atlantic are deeply involved in this strategic reexamination. I look forward to making this of primary emphasis within the Air Force and working with the other Services and the Chairman of the Joint Chiefs of Staff to define and implement an appropriate future military strategy.

Doing it smart also means that we must evaluate Air Force ways of doing business and work for improvement. Business and industry have been doing this to better compete in the world economy. Military forces operate in the most competitive environment in the world; we need to manage with the same competitive spirit. We must restructure, decentralize, require consuming units to be accountable, responsible and allowed to make choices to do the job best; reduce barriers across functional organizations; enhance cooperation and joint efforts among Services; and pursue other best practices used by well managed organizations. Within USAFE, we stressed productivity. We created a Deputy Chief of Staff for Productivity, headed by a resourceful general officer. He was chartered to identify unnecessary overhead and inefficient practices within the command. We were intent upon eliminating activities that had outlived their usefulness. We stressed a "bottom-up" approach to complement the "top down" approach.

As a result, we have closed facilities, eliminated positions, reduced inventories, improved procedures, and reduced red tape. This experience should be extended to the entire Air Force. We can grow smaller but retain the military and managerial competitiveness and capability the United States needs and deserves.

I am optimistic concerning the future of the Air Force and its adaptability to change. We have, over the years, built a force the hallmark of which has been its versatility, flexibility, technological superiority, and combat readiness. The changes we see on the horizon play to these historical strengths. We have enjoyed great competitive advantage based on high performance systems and high performance people. Operational exploitation of advanced technologies in air and space systems and maintenance of high quality, highly trained human systems has commanded the respect of our adversaries. Although we will have to be selective in our choices, I believe the Air Force can help the United States maintain that competitive advantage well into the next century.

The task, and my charter if confirmed, is not primarily to preside over a shrinking force structure. Rather, it is the more challenging one of creating a vision of the Air Force of the future and then providing the leadership and energy to bring that vision to reality.

Thank you, Mr Chairman. I am prepared for your questions.

Senator Nunn. Thank you. General, the first question I have is, if confirmed for this high position, do you agree to appear before this committee and other appropriate committees of the Congress, and, when asked, give your personal views even if those views differ from the administration in power?

General Dugan. I certainly do. I think that one of the important things that the person who is in charge of looking after one of the service's needs is to keep clear and open communications with the Congress, and I look forward to doing that.

Chairman Nunn. You would give us your frank and candid opinion when we ask for your personal views?

General Dugan. I will give you my personal views on the subjects that you ask for.

Chairman Nunn. General, on behalf of Senator Byrd, I would like to ask you this question. He could not be here this morning. He has a conflict.

The emergency supplemental appropriation for fiscal year 1990 contained funds and directions to the Air Force to maintain the SR-71 aircraft in storage so that the aircraft could be returned to service on short notice. Are you familiar with this provision of the supplemental?

General Dugan. I am familiar with it, Senator.

Chairman Nunn. Do you intend to comply with this requirement?

General Dugan. The Air Force has some conflicting guidance from the Congress in this regard. The conflicting guidance comes between last year's authorization bill and this particular direction in the emergency supplemental. In addition, the amount of resources that are made available do create a conflict. There are insufficient resources to do the job that is laid out to be done.

Inasmuch as you asked for my personal views, it is my personal view that the resources to get the six airplanes in status so that they could fly operational missions within a 90-day period, that those resources are considerably more than what has been made available, and that given the other responsibilities, given the other requirements that we have for use of those resources, given the added value that we would have for keeping the SR-71 on status as opposed to the added cost, that it is not a good investment for the taxpayers of the United States at this time.

Chairman Nunn. I am not sure of the exact wording of that statute, whether it was a mandate or whether it was simply a request. We will have to look into that, but I am sure Senator Byrd, in light of your answer, is going to want to ask questions for the record on that subject.

General Dugan. I would be pleased to have a personal conversation with Senator Byrd on the details of this matter.

Chairman Nunn. I think that might be a good thing to do. Certainly, for the record, if you could furnish what it would take to have that appropriation directive or request, whatever it may be—and I have not looked at the language—what it would take to have that funded, what kind of funding it would require, we would like to know that, too.

General Dugan. Yes, sir.

[The information follows:]

[General Dugan failed to respond to the committee's request in a timely manner. Answers will be retained in the committee's files.]

Senator NUNN. I think that giving up the SR-71 was a very tough decision for everyone involved in it, because it does have some unique capabilities, and it also has some very high cost to it.

General DUGAN. It certainly does.

Chairman NUNN. The C-17 transport. According to yesterday's press, the Air Force has formally withdrawn approval of the C-17 contractor's authority to buy parts and components for the new aircraft. The Air Force press release said, "By disapproving the company's purchasing system the Government is putting Douglas on notice that immediate corrective action is needed."

It seems this is an indication of a pretty serious problem. Are you familiar with it? How would you describe it?

General DUGAN. I am familiar with certain levels of difficulty that we have observed at Douglas over a period of time. This particular restriction that we put on Douglas requires that if they have any purchases in excess of $100,000 they get specific Air Force approval.

I believe that our view of their controls and our view of their set of rules for making parts purchases indicates some inadequacies. The GAO team, which is also on site, has agreed with the Air Force position. I also understand that Douglas has agreed to make changes now that we have put some pressure on them, and that they will establish appropriate and adequate controls that look after the Air Force and U.S. interest.

Chairman NUNN. General, do you know whether these problems came to the attention of Secretary Cheney when he was doing the major aircraft review?

General DUGAN. I do not believe they came to Mr. Cheney's attention.

Chairman NUNN. Were they known in the Air Force at the time the review took place?

General DUGAN. Oh, I think we knew for some time that there was a level of activity at Douglas that we were not happy with. It was not sufficient to apply these controls until this time, and I believe that is why it was not brought to the attention of Mr. Cheney.

Chairman NUNN. Do you think it should have been brought to his attention during the time he was doing a major aircraft review, including the C-17?

General DUGAN. I am not sufficiently familiar with the amount of detail that was available at that time to make a judgment in that regard today, Senator.

Chairman NUNN. Senator Warner?

Senator WARNER. Thank you, Mr. Chairman. We are focusing today on your credentials to take on this important post, and we should not overlook the fact that you succeed a very distinguished predecessor. We would want him to know, in the context of your hearing, that we salute him for a job well done during his tenure as Chief of Staff.

I would like to return to my opening comments. I foresee a major debate in the context of the authorization bill which will soon take place in the Senate over Crotone—the concept, as well as the base. In a time of cutting back, should we consider construction of new facilities, particularly overseas, when many facilities here at home will have to be closed, and closed in such a way as to have a detrimental impact on local economies—State economies—and, I might add, local and state pride in having an important facility in that area—in their areas—closed?

So what are the arguments that you believe in? I know your disposition toward the importance of this base, but what are the priorities and the arguments that you would advance were you here by our side to take up that issue on the floor?

General DUGAN. Crotone is in the center of the Mediterranean. It is in that part of the European environment that today I think one would describe as the most volatile of those regions that are associated with our NATO obligations and which I think will continue to be a part of our NATO obligations.

Senator WARNER. That would be the flank concept?

General DUGAN. This is the southern region, and Crotone is in the center of the southern region, essentially. This part of the world has been a problem to the United States for almost as long as we have been the United States. The first war that we fought off U.S. soil was fought against the Barbary Pirates.

As a matter of fact, in 1795 the United States paid the Bay of Algiers a frigate, a 36-gun frigate, and $800,000 in tribute to see that our interests in commercial interests and human interests in that part of the world were not trod upon. A few years later, President Jefferson planted his flag and said, "Millions for defense, but not one cent in tribute," and that has been our policy ever since.

It is my view that that part of the world is still volatile, and it still has great interest to the American public, that it is a strategic area of the world in which we need to exert American influence, and that Crotone will serve as a place to plant our flag to tell neighbors, friends and potential enemies that we mean to protect American interest there, but there is a considerable amount of resources required. I would not try to hide the fact that the amount of NATO resources and the amount of U.S. resources needed to back up those infrastructure funds and others is indeed considerable.

But I think that there are important strategic reasons to be in the center of the Mediterranean. I think we leverage the capability and the presence of the fleet by having one major air base. And I think that the investment is indeed worthwhile for the American public for the long haul.

Senator WARNER. General, as persuasive as those arguments may be, and I particularly enjoyed your reference to Jefferson, why did we not think of putting an air base in that particular location (Crotone) before the fiscal years 1991-1992? It seems to me, as persuaded by your arguments, we should have addressed them some years ago.

General DUGAN. Spain is not located in the same location. This is not nearly as strategic a place to be. We were asked to leave Spain, and we looked around and asked whether or not there was an alternative location. And indeed NATO came up with the idea that they would help find the resources, and the Italian Government came forward and offered this particular location.

Senator **Warner**. I understand all that history, but if it was such an important, strategic location, it should have been there years ago. Or we should have been beginning to make plans years ago?

General **Dugan**. Previously our concept involved, for example, deploying forces out of Spain and deploying them further east. And indeed, in the event of a major conflict, we have what we call colocated operating bases in Italy that we bring forces forward for. But that is not part of our forward-based deterrent or reassurance strategy, which takes, in fact, forward-based forces.

Why did we not find one in Italy before?

We did not have the same circumstances.

Senator **Warner**. This morning the Chairman and I were with a group of senators visiting with Secretary Baker. And he expressed the importance of the forthcoming NATO summit at which time NATO will begin to reexamine itself in light of the dramatic changes in Eastern Europe.

Should we wait until this study, coming up in July and in the ensuing months, to begin to more specifically examine the charter and the future of NATO, before we begin to put heavy investment in new bases?

In other words, NATO may change itself in such a way that this base, from an operational standpoint, will not take on the same significance it did under the prior charter and concept of NATO?

General **Dugan**. I understand the changing interests and indeed the strategy review that is going on in NATO. But I think, notwithstanding NATO's view of the world, that the southern region will still continue to be a volatile area and it will be a volatile area for the United States in the NATO context. And it will be a volatile area for the United States in terms of its unilateral and bilateral interests.

Senator **Warner**. This base will then be freely accessible for indigenous U.S. forces and perhaps such supplemental forces as may be directed there by the President for operations that are separate from NATO?

General **Dugan**. We do not have a carte blanche from the Italian Government to do from Crotone what we can, of course, do from sovereign U.S. ships in international waters.

Senator **Warner**. That is a good argument for the carriers. And I am glad you have made that. And will the clerk note that in the record, please? [Laughter.]

General **Dugan**. Carriers are important. I understand and appreciate carriers.

Senator **Warner**. I do not mean to press you, but my time is about up. I would like to have the Chairman allow you to finish that answer, because as I followed along with you, you began to say that our bilateral relationships and other military missions might come to play on the scene. Take the Libya mission. Are you suggesting this base then has that future flexibility? Because if it does, that is an important element for us to consider.

General **Dugan**. I am suggesting that I believe several governments and several peoples in that area, to include the Italian Government, are enthusiastic about having a U.S. base on their soil in the southern part of their country. Because the presence of American forces and the presence of American families and the presence of the American flag lend a special sense of stability and reassurance to that particular area.

Senator **Warner**. Now those are all fine terms, but the precise question is what it does for the flexibility for the use of the indigenous and such supplemental U.S. forces, in terms of operating that base for missions which are strictly of a bilateral nature?

General **Dugan**. We have hopes that if there are important missions that the United States needs to pursue, that they in fact support the interests of the country in which we are deployed, wherever we are around the world. And that we have the ability in most cases to be able to get support from those countries.

Senator **Warner**. Well, I will finish, because my time is up. The operative word there is "hopes." I think we are going to have to refine "hopes" if we are going to use that as an argument.

Chairman **Nunn**. Thank you, Senator Warner. Senator Levin.

Senator **Levin**. Thank you, Mr. Chairman.

General, let me add my voice to the welcome.

The Defense News this week published an interview with General Welch in which he confirmed that the Air Force has provided to the OSD a proposal to pause the MX Rail Garrison and Midgetman systems. And he indicated that the direction of possible future arms control treaties and the costs were the reasons that this proposal was presented.

Do you agree basically with General Welch on that point?

General **Dugan**. I agree with General Welch that among our strategic modernization programs, the most important one on our list today and the one that has the most respect and attention from our potential enemies is the B-2. When you get down below that, there are other activities in the world, to include arms control activities, that give us an opportunity to look at options other than the early deployment of land-based mobile ICBMs.

Senator **Levin**. That includes both MX and Midgetman?

General **Dugan**. Both of them.

Senator **Levin**. Is there any way that you differ with General Welch in that regard?

General **Dugan**. The only thing I saw was probably the same press release you did. And so there was not a lot of detail and meat in the one I saw. I am not familiar with any major differences I have with General Welch.

Senator **Levin**. On that point that you just made?

General **Dugan**. On that made.

Senator **Levin**. Okay.

General **Dugan**. I must also add if I may, Senator, that this is a proposal that has not been reviewed. It will be subject to lots of further discussion. And it is an option that may be available to pursue.

Senator **Levin**. An option for OSD? But the Air Force has recommended that option, is that correct?

General **Dugan**. That is my understanding.

Senator **Levin**. And my understanding is you share that recommendation? Or not? I mean that is what I am trying to get at.

General **Dugan**. I think I understand that. And I accept that. And I support that. I think that one needs to look at affordability issues in every regard. And this is a question of value added for cost added.

Senator **Levin**. Can you tell us now on the B-2 issue whether or not you would link your support for a START agreement to the deployment of 75 B-2s?

General **Dugan**. The B-2 is very important to us for lots of reasons: the penetrativity, the numbers of weapons that it can carry, the fact that the B-2's ability to penetrate leverages the ability of other systems. In my view, if we cannot maintain a sufficient strategic balance to continue to give the United States population the same kind of security for the next 20 or 30 years that we have had for the past 20 or 30 years, then we would have done a great disservice.

I think the B-2 contributes a great deal to the continued viability of the triad concept, the continued ability of the United States to maintain its deterrent strategy, and to continue to keep the Soviets attuned to an arms control regime. I think that 75 is about the right number of B-2s to meet sufficiency requirements for the future.

Senator **Levin**. Does that amount to linkage or less than linkage to your approval of a START Treaty?

General **Dugan**. Well, I think that is linkage.

Senator **Levin**. In other words, you would be reluctant to recommend a START Treaty for ratification unless the Congress approved the B-2?

General **Dugan**. Given the current structure of negotiations to get toward a START treaty, I think it is essential to get a B-2 deployed and to be able to recommend to the Congress that the START Treaty is a useful tool for the United States to maintain its strategic sufficiency.

Senator **Levin**. Do you have any feelings about a START II agreement?

General **Dugan**. I think that arms control agreements are and can be a very useful element of our national strategy. I think when we get a START I signed and wrapped up, and when we understand what it is all about, I think we will be in much better shape to pursue further reductions.

I do think that strategic stability can be achieved and a great deterrent force can be achieved at numbers less than what are in START I. And so, conceptually, I have no objection to START II. I would like to make progress on the first one before I get all wrapped up about it, though.

Senator **Levin**. I was interested in Senator Warner's questions about Crotone. Many of those questions are ones that are indeed very much on many people's minds. One question that has been raised, though, has to do with the base at Comiso, and whether or not that one could not be modified sufficiently to permit this deployment at a much lower cost.

To put it bluntly, I do have difficulties with this expenditure on a new base, given the cuts that we have and the other capabilities that we have here in the United States that we will be using more of, in any event, and that will cost us money to close.

But Comiso, has that been looked at as a possibility for this particular function?

General DUGAN. The Air Force looked at Comiso a couple of years ago. They looked at a range of bases, to include other options in Italy, and options in Turkey. I think there were even some options outside the southern region that were looked at but were rejected because they do not support the strategy.

The Air Force chose to reject Comiso because the Italian Government did not offer it. The availability of space for runway was not suitable. The availability of water in that region is critical for the size installation that is there now, the ground-launched cruise missile. The Italians essentially truck water in for drinking and normal use purposes today.

The size of the installation is considerably smaller. It could be enlarged. The housing could be used. I mean that is the major activity that could be used. I have looked at Comiso myself. While there was a runway in the vicinity of Comiso, a World War II runway, its orientation, its layout and its current condition—it runs right into a city, right off the end of the runway—make it unsuitable.

And I am personally convinced that Comiso would not be a useful alternative, and that the potential resources saved by using the housing units would not make it a better bargain for the United States than the alternative we have chosen.

Senator LEVIN. My time is up, and my congratulations on your appointment.

General DUGAN. Thank you very much.

Chairman NUNN. General Dugan, has the Air Force taken a look at Crotone in the sense of determining whether we could have a much more austere base arrangement there, rotating, let us say, guard and reserve units, or even active units in and out, having a lot less family structure, making it short-term assignments, being able to beef it up when we need to, keeping a receiving force there, and saving a considerable amount of money?

General DUGAN. The Air Force has looked at that, Mr. Chairman. There are a number of studies that I have seen, one of which talks about rotating people back and forth. The cost for keeping a force there on a rotational basis, about a 6-month rotation, and to move a squadron in and out with its equipment, is about $15 million a year extra per squadron to keep people at Crotone because you would have to keep another base fully operational with all its activities. The net add to the United States taxpayers for keeping a rotational base is about $15 million per unit.

Chairman NUNN. Of course that depends on how long you station them there. We have bases that are more or less in cold storage in other parts of the world. And that is what I have in mind, having people go in there. Of course, obviously, if you deploy people for 6 months rather than 2 years, then you are not going to save any money. But what I am talking about is a much more austere deployment than that.

I have supported Crotone. I supported putting a lid on it last year. But in the atmosphere we are in right now, with another whole base closure package being churned around, with people taking hits all over the country in this country with reduced forces, I think it is going to be an uphill fight, to say the least.

And I see the value strategically of having the capability there, but I hope the Air Force will not foreclose taking a look at what I would call a very austere base arrangement at Crotone, as opposed to what you have just described.

General **Dugan**. The major savings, if one chooses to put troops over there without families, is family housing. Family housing costs, I understand from the OSD paper, is about $89 million, which NATO will lend us and we pay back in a non-interest loan from military family housing allowance moneys.

The rest of the structure, which is almost 90 percent, we will build—the runways, the taxiways, the storage areas, the warehouses, the maintenance facilities, the munitions storage, and so forth.

Chairman **Nunn**. You are talking about on the initial outlay.

General **Dugan**. Yes, sir.

Chairman **Nunn**. And what I guess I am talking about is the operating costs, the recurring costs over the years. The initial outlay I would not think would be that much different.

General **Dugan**. It is not much different, no, sir.

Chairman **Nunn**. I am thinking about the operating cost.

General **Dugan**. And so the operating cost, depending on how long you keep people over there and how often you move them, and a great deal of that $15 million per squadron, in fact, is to move over and to move back. It is the operating cost to get people, equipment and airplanes, and it is the airlift cost and so forth to get to Crotone and back.

Chairman **Nunn**. Right.

Well, we will see how things develop as we go along, but you better keep your pencil sharpened on other options, because it is going to be a hard battle on Crotone.

General **Dugan**. If I may add, in my mind the reason one brings families to places that we have permanent installations is that families send an important message to friend and foe alike. Families send the message that we are here in fact for a deterrent strategy. Families give great reassurance to the people that we live nearby. I know they cost extra resources because the monies are spent overseas and not onshore.

Chairman **Nunn**. I agree, General, but we talked the Italians into letting us have the base there. They did not have people from that part of the world coming to their government saying we are fearful of an attack, please get the Americans to come and protect us. We actually spent an awful lot of diplomatic effort, as you well know, to try to persuade them in a friendly way, and they were very receptive, to allow us to come there.

And so I think that that argument—I am hearing you, but I am not agreeing with all of that.

Let me move on to another situation, stand-off munitions. The Air Force always says they strongly support stand-off munitions, but they never get fielded. Something always happens. Can you explain that? I have looked at it now for 10 or 15 years. There are some who have a more conspiritorial theory, believing that the Air Force does not want anything unless it can fly over the target. And that basically stand-off munitions represent a threat to more platforms.

I do not subscribe to that, but I must say, if we continue to go down the route, I may come more and more to that view. What is your response? What is your priority for stand-off munitions?

General DUGAN. Having been shot down I have a great deal of interest in stand-off weapons for two kinds of targets. One is the ones that you cannot range because the range of your platform does not get you there, and it is an important target that one needs to address early on.

The second kind of systems that need to be taken on with stand-off weapons are, in my view, air defense weapons, surface-to-air missiles, those kinds of systems that are a threat to overflight delivery platforms. And I say that because affordability is one of the key issues in every item that I believe comes before this committee and comes before the Air Force chief.

Overflight weapons cost us in round numbers a dollar a pound. Stand-off weapons cost us in the range of $500 to $1,000 a pound. We need to find that mix of stand-off weapons that can deal with the surface-to-air defenses, that give us the ability to operate perhaps not with impunity, but with great assurance that we have minimized our risks with overflight weapons. Then we need to use those kinds of weapons that are cheap, that are less than hamburger in terms of dollars per pound, and use those to kill the major number of targets we need to address.

Having said all of that, I think that there are some stand-off weapons we need to pursue. There are a mix of weapons that we have in development now that are and will continue to be important to us and that we mean to pursue and mean to field and get in the forces.

We have seen several cases, particularly in the Arab-Israeli weapons, where stand-off weapons have been used to great advantage, and we mean to follow that example, get those in the inventory and have them available.

Chairman NUNN. I am glad to hear you subscribe to that theory. I know that stand-off weapons cost more, but platforms cost more, too, and particularly fly-over platforms as opposed to stand-off platforms in some cases. Sometimes they are the same, but that all has to be taken into account. Losing airplanes in conflict or even in training, losing lives, all those costs come into it, too.

On the subject of ICBM modernization, could you give us, General, your views on both the MX now and the Midgetman?

General DUGAN. I understand the contribution of modernization in several different dimensions. One has to do with accuracy and, therefore, the ability to take on important targets with less numbers of missiles and so forth.

One has to do with the survivability question that has been at issue in the country for at least a dozen years, probably 14 or 16. I do understand why survivability is enhanced by having mobile land-based missiles.

On the other hand, I am not 100 percent convinced that each element of the triad needs to have all the characteristics of each other element of the triad. In a time where, given the issue of affordability, in the time where one has severe limits on its resources, particularly development and acquisition resources, acquisition and procurement resources, the Air Force is reexamining where we are with respect to the modernization of the land-based leg of the triad.

One of the views that we have to take is one has to think about the problem that a Soviet war planner has. What does the Russian Chief of Staff have to think about land-based U.S. ICBMs? One of them that he has to consider is those that we currently have in missile silos, in particular the MX that is in missile silos. He has to know that if he chooses to make an attack on the United States that those are coming out of the silos and coming at his country in very rapid order. That has to be put into his equation. I think that there is very great deterrent capability from the MX in the configuration where it is currently postured.

I do think that in our arms control negotiations in START that we will have great additional incentives to see that we have single warhead missiles in our land-based force. I think that for the future we need to have a strategy that hedges the President's negotiating posture in START I and postures us in terms of R&D to be able to have a very highly accurate, very capable, modernized single warhead missile that we can put into current Minuteman silos, into other silos, or perhaps if in fact the arms control regime develops that we can put in a mobile configuration downstream. I think that the Air Force program will make those options available to the United States.

Chairman NUNN. I think I ought to word this in a longer term aspect. How would you sort out the priorities between MX rail mobile, the Midgetman missile and the B-2? Where do you rank those on your list of priorities? How do you rank those three?

General DUGAN. I rank the B-2 at the head of my list for all strategic modernization programs.

Chairman NUNN. In the Air Force?

General DUGAN. In the Air Force.

After that, I understand all the arguments about giving the President options and use before lose and so forth. Nevertheless, I think there is great utility from a deterrent aspect. I focus first and foremost not only on the deterrent aspect because if one gets to the point where one has to make a choice and the President has to make the choice between use or lose, our strategy in fact has failed. We are in a mode where we are in a using mode, not a deterrent mode. We have an entirely different circumstance for the United States.

I think that there is great deterrent value in the Peacekeeper the way it is currently postured.

So over the long haul, I think that my second priority is for a modernized single warheaded vehicle that we can put either in land-based silos or mobile, again depending on how our arms control regimes develop for the mid term.

The Rail Garrison option I would put among those three in a lesser position.

Chairman NUNN. As a hedge position?

General DUGAN. As a hedge. I would continue to have the R&D available. I would continue to better understand the problem. I would continue to understand what the dynamics were, but I would do that as a hedge for our current missile situation.

Chairman **Nunn**. I find a lot of logic to that set of priorities, General.

Senator **Warner**. Mr. Chairman, I would also associate myself with the Chair and the witness. I find that logic very sound.

Chairman **Nunn**. I also find your statement about the force structure planning and the arms control planning going together as very important. I think we for some time have proceeded as if the two were on separate tracks, and at some point if we are successful they both have to come together. Yet, if we are unsuccessful we have to have a hedge position. No doubt about that. I like that way of viewing strategic modernization.

General, one other question and then I will turn to Senator Warner for other questions. We are going to have a lot of discussion about following the forces, particularly in light of the changes in Europe, the dramatic changes in Europe and so forth and so on.

What do you think about systems like JSTARs, deep attack systems? Have you reevaluated your position on those, or do we still need them, or how do you view it?

General **Dugan**. I think that the Air Force has long viewed the ability to attack enemy forces before they arrive at the front, before they are engaged with friendly U.S. or allied forces as the premier element, the important aspect that Air Force tactical forces bring to a battlefield.

So FOFA or the ability to interdict follow-on forces before they arrive at the point of contact has been important to airmen for a long time, and I am glad that it has been rediscovered here recently.

I think that JSTARs will give us, the United States, the U.S. Air Force, the U.S. Army, whomever else we might support in a major land conflict the ability not only to fight smarter in the deep attack regime, but it will also give us the ability we have had with the E-3s and with the AWACs for the past several years, to survey an area that has high tension, an area with impending crisis. It will give us the ability to forward information to both friend and foe alike that we know what is going on. I think it will have application and great utility in a monitoring, surveillance and crisis management role.

Chairman **Nunn**. That would not be just in Europe but in other possible areas?

General **Dugan**. I think it has application in lots of different areas. Our development concept focused almost exclusively on Europe; however, I think that it will have application in other areas, and I think that we should open our minds in the conceptual planning. I am not out looking for new demons. I am not out looking for new threats, but I think when there are opportunities there, the JSTARs will be similar to AWACs, and we will be able to send it out in a deterrent and reassurance mode.

Chairman **Nunn**. How about the application in Korea?

General **Dugan**. I think it has a similar application in Korea. Korea has a much more confined land space. It would almost be easier to manage the land space in Korea. Korea has the same kind of surface-to-air missile problem. We need to make sure that we can take care of that surface-to-air missile problem so that we can protect the JSTARs if in fact a shooting war starts.

I think it would be very useful, especially in a country where the capital is within just a few minutes of the border of a hostile nation. It would be very useful to be able to monitor major movements of offensive vehicles and to be able to classify them with the capabilities that JSTARs is envisioned to have.

Chairman NUNN. General, we have had a dramatic change in the threat in Europe. The forward battle area and the whole forward defense concept was based on two Germanies, an inter-German border. We had all sorts of positions we were going to channelize and hit with air power. You have been through it a million times, and I have been through it several times.

That whole concept has to be reviewed and changed probably in dramatic ways. You have countries there that were part of the threat that are now part of our overall, if not allies, at least friendly countries in the world; Czechoslovakia, Poland, Hungary, East Germany. Those countries have dramatically changed, so we no longer have the inter-German border. I assume the Soviet-Polish border would now be more likely viewed as a realistic forward area.

How do you view the military side? I am not talking about the political side now, but putting on just your military cap, your U.S. Air Force cap, what is the thought process by which we ought to approach the role of U.S. forces in NATO in the years ahead?

General DUGAN. Mr. Chairman, NATO, of course, is struggling with that same question. What is the strategy for the future? Clearly, in the central region where we talked about flexible response and forward defense, forward defense has an entirely different meaning because the planning that we had done against the inter-German border is outdated already.

In the larger context, the view of the world of the nations on the flanks in the northern region and the southern region is that, while much is changing, not much has changed. So they are not nearly as enthusiastic over a major shift in strategy.

I do think that all the forces, all the countries need to become much more flexible than we have been in the past because, as you mentioned, we have a very stylized, an almost rigid planning environment for who we are going to fight, where we are going to fight, and what the time lines were. We knew within a few days—at least we said we did because the scenario never changed—how many days it was going to take for each guard, tank, army or motorized rifle division to get to the front and what they would do next.

So we have an opportunity—indeed, we have a demand—for the U.S. nationally and the U.S. corporately with NATO to look at a much more flexible scheme for, again, deterring attack on U.S. interests in that part of the world. I assert that we will continue to have U.S. interests and, indeed, expanding interests in that part of the world. The borders have been opened up to the United States for commercial movement, for travel by U.S. citizens and for much more interface on every level of activity that a free nation is interested in.

Every once in a while I read articles that say because of developments in Europe the Pacific has become more important to us. I do not agree with that view. I think that because of developments in Europe, Europe has become more important to us.

On a military level, that does not mean that we need as many nor certainly more forces because that part of the world is more important. I think there is an opportunity to restructure our forces, to achieve some of those burdensharing goals that we have had for a long time, and to reposture our forces in a more efficient manner and more flexible manner.

Senator **Warner**. Mr. Chairman, if I could ask a follow-on question to that important point raised by the Chair and just a footnote to the side, now. If we are going to talk about importance, the Pacific Rim is becoming the United States' major trading partner as opposed to Europe. We will have to wait until after EC 92 to determine whether there is any adjustment, but the trend is to the Pacific.

Back to the roles and missions of the military departments in the changing European theater, as the Chair pointed out the borders are changing, and also weapons systems identical to NATO's forward deployed concept of defense along the Warsaw Pact line, artillery shells are now of questionable value. The Lance concept of the land-based missile is questionable. More emphasis, if the doctrine of flexible response is to remain—and, indeed, I am confident it will—is placed on the Department of the Air Force.

How would you envision the changes that you would have to bring about to take up the slack in the line, as we say, by the lesser emphasis on the other tactical systems and the greater emphasis on the air delivery systems?

General **Dugan**. I think that we need to continue to maintain a visible but perhaps somewhat smaller U.S. Air Force presence in the European environment. I think that will be important again for deterrence, for reassurance, and for stability. I think it will be important to maintain a measure of U.S. leadership in the NATO environment both at the level that SACEUR plays, the level that Admiral Howe plays as Commander in Chief in the southern region, and, indeed, in my successor as the Commander of Allied Air Forces in Central Europe.

The United States, because of its geographic separation from the mix of European politics and from the mix of European activities, has a special credibility over there. It has a special credibility politically and militarily. We are important to the mix of nations certainly in the West and, I believe, to those nations in Eastern Europe that have recently been freed——

Senator **Warner**. Let me get back to my original question. It requires more of a nuts-and-bolts type of answer. As the ground-based tactical systems become less significant because of the shift in borders, what is the added emphasis, if any, that has to be placed on the air-delivered systems in terms of the number of airplanes and the type of equipment you have to maintain to pick up the slack?

General **Dugan**. One thing that will be important to pick up the slack for the future, again with the same kind of strategy, will be the TASM missile, the long range tactical air-to-surface nuclear missile. I think that that modernization program, given the other systems that will be taken out, has been important to our view of the strategy in the past and will continue to be important for our view of the strategy of the future.

Senator **Warner**. I thank the Chair.

Chairman **Nunn**. I thank you, Senator Warner.

General, we appreciate your being here. We anticipate no problems with your confirmation, and I hope you get a vote on it very quickly. We look forward to working with you in your new position.

Senator **Warner**. Our very best to your wife and family.

Chairman **Nunn**. Are they here today?

General **Dugan**. I have Kathleen Dugan here to give me some adult supervision, Mr. Chairman.

Chairman **Nunn**. Kathleen, we are delighted to have you. Thank you. It is good to have you.

General **Dugan**. Mr. Chairman, thank you very much.

[Whereupon, at 12:10 p.m. the hearing was adjourned.]

[Prepared questions submitted to Gen. Michael J. Dugan by Senator Nunn prior to the hearing with answers supplied follow:]

June 11, 1990.

Chairman Sam Nunn,
U.S. Senate, Committee on Armed Services, Washington, DC.

Dear Mr. Chairman: I am grateful for this opportunity to share some of my views on defense policy and management issues. I look forward to discussing my views on these issues as well as others in the future.

Sincerely,

Michael J. Dugan,
General, USAF, Commander in Chief,
United States Air Forces in Europe.

VISION FOR THE AIR FORCE

If confirmed, you will have the opportunity to lead the Air Force during a period of significant change and to influence the shape of the Air Force as it approaches and enters the 21st century.

Question. a. What do you believe the Air Force's highest priority should be in preparing itself for operations in the next century?

Answer. The number one responsibility of the Air Force is to provide the air and space forces to protect American interests wherever Americans have interests and to be ready to intervene whenever those interests are threatened. We must have ready forces that are designed to handle the most likely threats—while maintaining reasonable hedges against the unexpected. This will require forces with utmost flexibility.

First and foremost, we must maintain a credible nuclear deterrent. We must be prepared to accomplish this with fewer weapons by fully using arms control measures as an element of our national strategy. We must also maintain significant Air Force capability to project global power rapidly to influence world events through combat or humanitarian uses of airpower. We must be prepared to conduct these operations individually or in conjunction with other services as circumstances dictate. Finally, we must fully exploit our counter-narcotics and counter-terrorist capabilities.

Question. b. What do you consider to be the most serious problems in the management and operation of the Department of the Air Force?

Answer. Maintaining a responsive, combat-ready force in the current environment is the biggest challenge for the Air Force of the 1990s. The current fiscal environment, as well as the perception of the reduced threat to our national security makes force restructuring a top priority, but we have to make sure that any reductions make sense in the context of force structure and readiness. We must also make sure we continue attracting and retaining high quality, productive military and civilian personnel, providing them with meaningful opportunities to serve the Nation, compensating them fairly for their service, and managing the decline of their numbers in a thoughtful, careful manner.

The challenge of the 1990s is finding other smarter ways to hold the line on Defense spending, while maintaining adequate operational readiness. We cannot let our zeal to reduce costs, however, allow us to make unfocused, wholesale cuts to our force structure. National strategy must drive national resources, not the other way around. The current uncertain world makes random cuts an extremely dangerous course of action, both from the standpoint of our forces' readiness to respond to rapidly changing conditions and our ability to maintain quality people who can step up to those challenges.

Question. c. What management activities and timetables would you establish to address these challenges and problems?

Answer. If confirmed, I would advise the Secretary of the Air Force to initiate a major effort on productivity—individual and organizational productivity. It would build on the current Air Force efforts relating to DMR. I would work hard to make productivity enhancement a normal way of life throughout the Air Force. I recognize a pressing need to take a critical look at the way we do business, identify good ideas from all levels of the Air Force, and bring them to fruition.

Question. d. What do you see as being the major technology thrusts of your tenure?

Answer. Technological advantage is a perishable commodity, and it must be constantly nurtured and protected because of continuing advances by our competitors. We must also meet the formidable challenge of maintaining our technological superiority while working within fiscal constraints. The United States can maintain its technological lead through investments in critical technologies such as microelectronics, software, materials, and propulsion. These technologies provide the basis for applications in such fields as stealth, computer aided decision making, hypersonic propulsion, and advanced sensors. These technologies form the core of future capabilities in offensive and defensive strategic warfare, electronic combat, air and space superiority, low intensity conflict, special operations, and other military missions.

Question. e. The Air Force is in the middle of substantial revisions to its long term plans for force structure and modernization. Is there an overall strategy that is guiding the adjustments and what are the key features of that strategy?

Answer. The national military strategy, based on deterrence, combines forward defense and flexible response to ensure that no adversary could ever expect to gain by attacking the United States or its allies or by threatening U.S. interests worldwide. These strategic concepts will continue to support our enduring national security objectives despite the changing environment which is becoming less focused and more global.

I subscribe to Secretary Rice's airpower theme "Global Reach—Global Power," and I believe the Air Force must be prepared for projecting American power in the context of a new world order. This is a priority second only to maintaining a credible nuclear deterrent.

CLOSE AIR SUPPORT

Question. The former Chairman of the Joint Chiefs of Staff, Admiral Crowe, as one of his last acts in office recommended that the assignment of service functions for close air support be clarified and specifically that all four services be tasked to provide close air support as a primary function. What is your view on this important issue?

Answer. The history of the Air Force is an unbroken demonstration of our dedication to the CAS mission. From the battles in Normandy to the defense of the Pusan Perimeter in Korea to the special forces camps of South East Asia, the Air Force has always been there to support the American soldier. The Air Force has the experience, training, doctrine, force structure, and flexibility of mind needed for the CAS mission. What do I mean by "flexibility of mind?" I mean that putting howitzers and cannons in a cargo plane may sound impossible, but American forces in Vietnam, Grenada, and Panama can attest to the ability of Air Force gunships to provide pinpoint firepower at the critical time and place . . . again and again and again. Some of the most effective CAS I am personally familiar with was done by B-52s—in support of U.S. Marines at a place called Khe Sanh.

Each service can and does provide direct aerial fire support—CAS in a definitional sense—but this does not mean, in my view, that each service should be assigned CAS as a primary function. I believe there is little gain for the United States by implementing a recommendation to change the existing relationship. Such a change will, in the long run, be less efficient, more costly in both dollars and lives, and will fragment the progress in jointness which we all support.

SPACE FUNCTIONS

Question. Admiral Crowe also recommended that the Air Force have primary responsibility for space functions; the Army have responsibility for space functions which directly contribute to land operations; and the Navy have responsibility for space functions which directly contribute to maritime operations. What is your view on this important issue?

Answer. I agree with Admiral Crowe's recommendation. I believe the Air Force should be responsible for joint and multi-user systems, while the other services should be responsible for specialized and uni-service, dedicated systems. This recommendation, if carried through in appropriate modifications to DOD Directives, represents an important step in the right direction with respect to specifically delineating service space functions, avoiding gaps in responsibilities, and minimizing duplication of effort. Currently most space systems fall into the multi-user category and thus the Air Force domain of responsibility. Implementing this recommendation would, therefore, take advantage of the existing capabilities and significant infrastructure the Congress has provided the Air Force over the past 30 years. It would also provide the services with a more predictable planning and programming environment. Even so, it would still preserve the necessary degree of flexibility for each service to develop and field space systems that uniquely contribute to its component role in support of the warfighting CINCs.

DEFENSE REFORMS

Question. Do you fully support the defense reforms mandated in 1986: the Goldwater-Nichols Department of Defense Reorganization Act, the Packard Commission recommendations, and the special operations and low intensity conflict reforms? What leadership role will you play in the full and timely implementation of these reforms? What do you understand the role of the Chief of Staff of the Air Force to be under the Goldwater-Nichols Act relative to the Secretary of the Air Force and relative to the component commands of the unified and specified combatant commands?

Answer. Yes, I fully support the reforms. We have already seen their impact in the many improvements in management and efficiency of the services. But most importantly, the reforms permitted our combatant commanders to be responsive to today's rapidly changing security environment.

I will continue to champion the reforms already in place, including the reorganization of major staff functions under the Secretary, our ongoing efforts to streamline the Air Force through the Defense Management Review, and the recent creation of an Air Force Special Operations Major Command to better support the Commander in Chief Special Operations Command. We haven't just reorganized, we have also assigned our brightest and best personnel in joint assignments. I will continue to ensure we have a pool of well educated and trained officers ready to assume joint responsibilities. We will continue to invest in education programs so these officers will have a thorough understanding of the use of airpower and the ability to articulate how to best employ it, unilaterally and jointly, in support of national security objectives.

Of equal importance, if confirmed, I accept it as my responsibility to implement the intent of the Packard Commission, specifically that the Air Force understands how the linkage extends from our national security strategy to the operational strategies of the unified combatant commanders, to the requirements levied by those strategies on air component commanders, and finally to the Air Force programs to fill those requirements.

With regard to my relationship to the Secretary of the Air Force, the Goldwater-Nichols Department of Defense Reorganization Act is quite clear in defining lines of responsibility between the Chief of Staff and the Secretary. The Secretary is responsible for organizing, training, and equipping air forces responsive to national security objectives. The Chief of Staff of the Air Force presides over the Air Staff and serves subject to the authority, direction, and control of the Secretary of the Air Force. The Chief of Staff transmits plans and recommendations of the Air Staff to the Secretary and provides advice to the Secretary with regard to such plans and recommendations. Once approved by the Secretary, the Chief of Staff acts as the agent for the Secretary in carrying out those plans and recommendations. The Chief of Staff also provides the Secretary with military advice, and keeps the Secretary fully informed of significant military operations affecting the duties and responsibilities of the Secretary.

RESPONSIBILITIES TO THE SECRETARY OF DEFENSE

Question. Should you be confirmed as Chief of Staff of the Air Force, what would you view as your principal responsibilities to the Secretary of the Air Force, the Chairman of the Joint Chiefs of Staff, and the Secretary of Defense?

Answer. A primary and historic function of a service Chief is to represent to each of his superiors—the Secretary of the Air Force, the Chairman of the Joint Chiefs of Staff, and the Secretary of Defense—the best military advice concerning the role, capabilities, and operations of the uniformed component. That is the heart of our joint system and distinguishes it from the less open "general staff." As I read it, Goldwater-Nichols has wisely retained this responsibility and, in fact, has made it even more important that it be effectively executed. In my view, that hinges on open, clear, and responsive communication, and if confirmed, I would make this the centerpiece of each of these relationships.

AIR FORCE AS A PROJECTION FORCE

Question. Secretary Rice testified before our committee that the Air Force should be considered as the leading edge of U.S. projection forces. Do you consider long range bombers to be an alternative to sea based aviation as a means to project power? Do Defense Department plans fully utilize the potential of long range bombers?

Answer. I believe that for most of the contingencies we are likely to face in the future, there is an "air option" that we are uniquely able to execute in support of national objectives. The Libya raid and recent Panama contingency demonstrated the responsiveness and effectiveness of our tactical air and airlift forces. Long range bombers also offer the National Command Authorities unique and powerful military capabilities. Not bound by geography and with an unparalleled combination of speed and range, bombers operating from secure U.S. bases can respond in a matter of hours, delivering large payloads anywhere on the globe. Long range bombers can carry a tremendous payload of gravity or standoff weapons to deal with contingencies or threats. They command special respect. This proven combat capability continues to act as a deterrent to any potential adversary contemplating conventional war.

Having made the decision to reduce our forward deployed forces, the employment of long range bombers could be crucial in stabilizing a regional conflict until the area could be reinforced. Once committed in a regional conflict, long range bombers would be invaluable in interdicting enemy forces before they could be brought to bear—destroying the enemy's warfighting capability, augmenting tactical air forces, and supporting the regional combatant commander in his continental and maritime campaign.

Bombers are a scarce commodity. They have provided a critical leg of our nuclear deterrent during the past four decades, and will continue to do so for the foreseeable future as we complete our bomber modernization program. In addition, however, as we enter an unprecedented era of conventional force reductions and reduced forward presence we must find new ways to meet our national security objectives, and the capability and flexibility of long range bombers undoubtedly will factor heavily in those reassessments.

ACTIVE/RESERVE FORCE MIX

Question. As the threat of imminent hostilities from the Warsaw Pact recedes, do you believe that it is appropriate to shift more of the flying burden to Reserve units, or should the current mix of Active and Reserve forces be kept constant? Do you believe that the Air Force should preserve the current mix of Active and Reserve units irrespective of budget levels? As budget resources continue to decline, which alternative do you favor, a smaller Air Force with the current proportion of Active and Reserve units, or a somewhat larger Air Force with a greater proportion of Reserve units?

The Air Force has been shifting missions and resources to the Reserves for many years with a strong Reserve aircraft modernization program, increases in Reserve training, and expanded exercise participation. The Active Reserve ratio has been flexible and will continue to change as we reduce the size of our force. For example, the Active/Reserve force mix has grown to ⅔ to ⅓ (67 percent to 33 percent) for our tactical fighter forces. This is a result of many long-term factors including CONUS/Overseas balance, operational tradeoffs, personnel dynamics, force structure programming, and dollar savings. These savings result largely from a substantial number of active duty pilots and maintenance technicians who sign up with the Reserves—fully trained—at the completion of their active commitments. Our Active duty forces provide the rotational base that supports essential forward presence and Reserve force development. While the size of our overseas forces will decrease, the need to maintain forward presence will not be eliminated. As we adjust our overseas forces there will be opportunities for related adjustment in the relative proportion of forces in the Active/Reserve mix.

I favor an Active force sized to meet our future national security, forward deployment, crisis management, contingency, and Reserve training requirements and to provide our initial response to a general war. In addition, I favor Reserve forces sized to provide a total force capable of ensuring an outcome favorable to U.S. interests. For the future this will involve a smaller Active duty force and a larger Reserve force proportion.

READINESS AND SUSTAINABILITY OF AIR FORCE FORCES

Question. Last year, General Hansen, the Commander in Chief of the Air Force Logistics Command, testified that while the current readiness status was good, "we are losing ground in all areas of sustainability. And, of course, that is what is required in any conflict that we may have. Basically, as I look into the future, I portray the United States Air Force as a peacetime Air Force, as opposed to a warfighting Air Force with the capability to sustain itself." How does the budget request pending action in the Congress affect readiness and sustainability? What is your assessment of the future warfighting posture of the Air Force?

Answer. While I have some concerns, I do not share General Hansen's view. Coming recently from USAFE, I can attest to the fact that our readiness remains high and that while we have some sustainability shortfalls we have come a long way and still possess a robust warfighting capability. The fiscal year 1991 budget continues the Air Force's long-standing commitment to the readiness of our forces. Flying hours for our crews are maintained at adequate levels and direct logistics support is adequate to maintain weapon systems at or near recent record levels. Our major readiness concern is our ability to maintain and operate our basing structure and keep pace with rising costs required to maintain the kind of quality of life our outstanding people deserve (e.g., medical).

In this constrained budget environment, sustainability really becomes an affordability question when looking at the tradeoffs between force structure, modernization, readiness, and sustainability. The fiscal year 1991 budget for sustainability (spares, fuels, and munitions) essentially preserves the robust capability that we currently have. We took this approach deliberately, considering both the fiscal climate and the need to balance our investment against future force structure changes. It makes sense to preserve our investment but not to increase it at a time when the future threat, strategy, and force structure are being debated. We believe that the fiscal year 1991 budget represents the best compromise that could be devised at the time.

As we look to the future, all of our deliberations are guided by the principle that we will size our forces to fit the task and that those forces will be ready and capable. To this end, there is a genuine commitment at the highest level of the Air Force to maintain readiness. I believe our plans and programs fulfill that commitment to readiness. As before, sustainability remains an affordability issue; however, the good news is that reductions to force structure offer the promise of improved sustainability at reduced investment. Based on our initial look, I am encouraged that if we do it right we can capture that promise and not only maintain but improve the sustainability of our future force structure.

SPECIAL OPERATIONS FORCES

Question. Historically, the Air Force has devoted lower priority to investment programs for Special Operations Forces. That was one of the reasons why the Congress created the new Program 11 accounts. But the Air Force will continue to have to play an active role in support of special operations forces. What priority would you devote to modernizing the airlift capabilities of special operations forces? What priority would you assign those units in terms of ongoing operations and maintenance?

Answer. Having been a special operator, I have a special place in my heart and my wallet for the people who contribute to this demanding mission. The Air Force will enthusiastically fulfill its service responsibility to its Special Operations Forces by providing quality people, facilities, resources, training support, equipment, spares, and depot support. Ongoing operational and maintenance functions will continue per DEPSECDEF guidance as top national priority programs. We are diligently working with the Joint Staff to elevate the priority of all Special Operations Forces to this level. Our goal is to ensure these national resources are prepared for any operational commitments.

STRATEGIC BOMBER MODERNIZATION

Question. Secretary Cheney recently recommended a reduction in the inventory goal of the B-2 bomber from 132 to 75 aircraft. Are 75 B-2 bombers sufficient to accomplish targeting requirements?

Some have argued that in the current fiscally-constrained environment, the Air Force should give up penetrating bombers and rely instead on the much cheaper combination of stealthy cruise missiles carried on stand-off platforms, accepting the modest increase in the risk of failing to deter that this course would entail. What are your views on the necessity of maintaining a force of penetrating bombers?

Answer. A number of changes in the nature of the target base have taken place since the Air Force initially requested a buy of 132 B-2s; however, the aircraft still affords this nation tremendous combat capability in both the nuclear and conventional arenas. The planned reduction to 75 aircraft represents a *calculated risk* driven primarily by the fiscal realities we must face in the next decade, and I support Secretary Cheney in his decision to reduce the B-2 buy in light of these realities. However, any further reduction in the B-2 program would result in a dangerous loss of essential target coverage.

The Soviet Union remains the only nation that can jeopardize the security of the United States; they continue an aggressive strategic modernization effort investing both in offensive and defensive weapons systems. The penetrating bomber, with the highest yield/accuracy combination of any strategic system, offers the most effective means to attack hardened, large area, imprecisely located, and relocatable targets. Without an effective penetrating bomber the military sufficiency of START—indeed the continuing motivation for the Soviets to pursue START—and the delicate balance of strategic deterrence is questionable. For this reason I do not believe the nation can accept the risk some characterize as "modest." The consequences of deterrence failing are unthinkable.

As important as the B-2 is to the nuclear deterrent equation, I am convinced that it has great potential to contribute to contingency, crisis management, and conventional operations. The ability to penetrate enemy airspace, to roam over enemy territory and vital installations, and to attack with virtual impunity key enemy targets can change U.S. capacity to pursue its interests.

BALANCE AS WINGS ARE DEACTIVATED

Question. If the Air Force deactivates six to eight tactical fighter wings over the next 5 years, how do you think the reductions should be balanced between cuts in overseas wings versus cuts in wings based in the United States?

Answer. Forward deployment of forces is a key element of our national security policy. These forces provide a strong deterrent and clearly demonstrate national resolve. Overseas forces and their deployment conditions are driven by regional environmental conditions—threat, host nation support, treaties, alliances, value-cost, and political considerations that do not affect our CONUS-based central reserve (Active and Reserve). Those overseas forces, therefore, are clearly more likely candidates for reductions given the current world conditions and prospects for the future.

IMPLEMENTING FOFA

Question. The United States has made the Follow-On Forces Attack strategy the keystone of its conventional defense strategy in Western Europe. Is the FOFA concept still valid as the conventional threat from the Warsaw Pact dissipates? Do deep attack systems such as the Joint Surveillance and Target Acquisition Radar (JSTARS) program have a role outside of FOFA and the European contingency? Will you continue to give high priority to full development and deployment of the deep attack systems?

Answer. In my view, FOFA is largely a rediscovery of the value of interdiction. FOFA is the focusing of the interdiction effort against a specific force to achieve a specific objective. The concept applies to virtually all scenarios of sustained combat operations and applies in particular against any enemy that would employ echeloned forces to achieve a high tempo of operations—to achieve a breakthrough of defenses.

The Joint Surveillance Target Attack Radar System (Joint STARS) is a wide area surveillance and target acquisition system that provides capabilities for battle management and "big picture" development. Our field commanders have needed a capability like that provided by Joint STARS for years—regardless of the existence of FOFA. The term "deep attack" is an operational concept in the U.S. Army's AirLand Battle doctrine. The concept envisions a joint effort by air and ground forces to manage—to meter—to control the flow and arrival of enemy forces at the point of contact with friendly forces. For airmen "deep attack" translates into air interdiction (AI) and offensive counter air (OCA). It is through these missions that the Air Force supports offensive joint operations designed to gain the initiative and control the battlefield for friendly ground forces. Joint STARS could contribute to these missions in controlling battlefield events—a force multiplier.

The Air Force has a road map for development of forces to accomplish those primary functions assigned to us by DOD directive on roles and functions. For the AI and OCA missions we are developing the Advanced Tactical Attack (ATA) and Advanced Tactical Fighter (ATF) aircraft. To augment the current deep interdiction fleet of F-111 aircraft, the Air Force is fielding the F-15E. The Air Force plans to keep a balanced force which will allow swinging about 40 percent of the total fighter force between ground attack and air-to-air to augment the 20 percent of the inventory dedicated to each of these two tasks.

AIR FORCE PLANS FOR THE ADVANCED TACTICAL AIRCRAFT

Question. The Secretary of Defense recently deferred Air Force procurement of the ATA by at least 5 years. In spite of this delay, does the Air Force still intend to procure the ATA? Because of the delay in procurement, does the Air Force believe that the F-15E program should be continued?

Answer. The Air Force does intend to procure the ATA. On April 26, 1990, Secretary of Defense Cheney testified to the House Armed Services Committee on the findings of the Defense Major Aircraft Review. In his testimony on the ATA, SECDEF made the following points:

- The ATA would be used for the deep attack mission, which now is handled by a combination of F-111 /FB-111 and F-15E aircraft.
- F-111s will approach the end of their service lives just after the turn of the century.
- Threat air defense systems will gradually diminish the current aircraft fleet's mission effectiveness.
- The continued development of the A-12 provides a strong hedge should the threat or F-111 airframe life require the ATA program to be accelerated.
- Plans to maximize commonality between the Navy and Air Force programs will remain unchanged by the deferred production of the ATA.

For now, the Air Force is very satisfied with the combat capability of the F-15E; however, budget realities dictate that we cannot afford to buy more without jeopardizing other programs. The complement of F-111s and F-15Es will meet our fiscally constrained near term interdiction force structure requirements.

PILOT RETENTION

Question. Last year the Congress substantially increased the career incentive pay for aviators and extended the authority for the military services to pay a targeted aviator retention bonus. These and other aviator management initiatives were enacted to counteract aviator retention problems in the military services. How effective have these initiatives been in helping the Air Force to improve its aviator retention?

Answer. I have not had enough time to fully determine how effective the aviator management initiatives have been. I do know the pilot cumulative continuation rate has not increased but appears to have bottomed out. I do know that there are mixed reviews in the field about the "bonus" aspect of last year's law.

We have done extensive research in an effort to try to quantify the "success" of our aviator incentives. Using econometric and other modeling techniques, we have factored in pilot bonus take rate information and the recently approved aviation career incentive pay (ACIP). Based on these projections, an inventory gain of almost 1,800 pilots (over the inventory expected without a bonus or flight pay increase) by fiscal year 1994 is projected. Will this come to fruition? Again, I don't know because the economic, military and civilian environments are constantly changing and the impacts of austere budgetary actions that directly affect all Air Force personnel will ultimately be a negative factor in retention. On the other hand, I do know that the approximately 4,100 pilots who have accepted the bonus are committed to us through their 14th year of service, and that is worth a great deal.

Overall, I believe the aviator management initiatives are absolutely essential. Our pilot problem remains a national problem, a problem that will require the attention of Congress, airline industry representatives, the military services, and Department of Transportation, everyone who deals with the demand for this national resource. We will continue to be responsive to new ideas in working the pilot issue from a national perspective, especially since the airline industry is likely to continue to demand huge numbers of experienced aviators for the foreseeable future.

COMBATANT COMMANDERS

Question. One of the major thrusts of various defense reform measures was to make the PPBS system more responsive to the operational requirements of the combatant commanders. You have participated in this process in various assignments in your career, including most recently as the Air Force component commander for CINCEUR.

Do you believe that significant progress has been made since 1986 and do you believe that there are any steps that you could take or would recommend as Chief of Staff of the Air Force to further that goal?

Answer. I am pleased with the visibility now afforded the combatant commanders as a result of the Goldwater-Nichols Act. The change in the law greatly increases the visibility of the war-fighting CINCs over the PPBS while strengthening the position of the JCS Chairman. I believe the CINCs' views and needs are carefully considered by both the service staffs and the JCS.

MX RAIL GARRISON

Question. It has been widely reported that the Air Force's fiscal year 1992-97 POM submission contains no funding for MX Rail Garrison procurement or military construction. What do you consider the role of ICBMs to be in the future, and how does the Air Force's POM support that role?

Answer. Since I have been focused this past year more on theater operations, the committee is probably more familiar, at this point, with the details of the strategic forces programs than I am. I would say, however, that I fully support the concept of the TRIAD, both in terms of its historic strategic success and its continued future viability. ICBMs deployed by the Air Force, including the MX, in the future will continue to provide retaliatory capability against the Soviets' most threatening targets. In addition, continued improvements in ICBM accuracy will insure the United States possesses the capability to hold Soviet hardened targets at risk. In the future, ICBMs will continue to maintain the highest day-to-day alert rates when compared to bombers and SLBMs and provide our Nation with the ability to strike time-urgent targets. I believe it is important to continue to pursue the development of mobile options for our ICBM forces so that we can effectively underwrite ongoing arms control negotiations.

MILSTAR SATELLITE PROGRAM

Question. The MILSTAR satellite program, as presently planned, will cost approximately $25 billion over the next decade. Of all the priorities in the Air Force, how does MILSTAR compare to the B-2 bomber, the Advanced Tactical Fighter, the C-17 transport, and other major Air Force programs, at the funding levels currently projected in the 5 year plan and at the funding levels anticipated in the pending budget resolutions?

If the Air Force cannot afford to make its intercontinental ballistic missiles (ICBMs) more survivable, what justifies so expensive a command and control program that is designed to survive and function during nuclear exchanges? How can the MILSTAR program be made more affordable?

Answer. MILSTAR is the highest priority C^3I program in the DOD. We have based our future satellite communications architecture on the fact that MILSTAR will be operational in the mid-1990s and beyond. Without it our strategic and tactical communications capability will be seriously degraded as our current UHF constellations decay in the mid-1990s. As such, MILSTAR has remained a high priority in our funding levels, both past and projected.

I support the President's plan to modernize our strategic forces. In order to manage these forces effectively, we need a survivable command and control communications capability. MILSTAR provides this robust communications connectivity to our strategic forces. MILSTAR not only supports our strategic forces, it also provides support to the tactical arena (non-strategic nuclear forces, intelligence command and control, SOF and combat communications).

The Air Force recently completed a study to look at lower cost alternatives to the MILSTAR program. It was readily apparent from those studies that a suitable substitute for MILSTAR's planned capabilities could not be developed at less cost and would delay IOC by several years. The present program is showing reduced costs for the second and third satellites. In addition, we have initiated a low cost, low volume terminal effort.

BOOST SURVEILLANCE AND TRACKING SYSTEM (BSTS)

Question. General Monahan, the Director of the Strategic Defense Initiative Office, recently indicated that the most current Phase I architecture no longer requires the BSTS. BSTS was justified in part to provide better tactical warning and attack assessment, and in part to provide tracking support for a strategic defense system. If the latter requirements now need not be met, is the BSTS overdesigned and too expensive for the tactical warning and attack assessment mission? Could improvements to the current DSP satellites provide adequate tactical warning and attack assessment at significantly lower cost? What are your views on this issue?

Answer. The Air Force has had a long-standing requirement for the capabilities represented by BSTS—pre-dating the Strategic Defense Initiative. As I understand the current issue, the question is one of capability versus affordability. What capabilities are essential to the long term security interests of the United States and what technologies best meet these capabilities at an affordable price? I cannot answer that question for you today—except to say that I do not support new technology for its own sake; I do not support space—or for that matter, aerial, surface, or sub-surface—capabilities for some emotional reasons; I do not support continuing programs for which the United States does not get a full measure of capability for the resources demanded. I do support a disciplined requirements process that makes tough decisions on military needs and an accountable acquisition process that produces capabilities when the technology is ready and at an affordable price.

ICBM SURVIVABILITY

Question. If the reports about the Air Force's fiscal year 1992-1997 budget proposals are correct, the Air Force plans to continue silo-basing of all ICBMs for the foreseeable future. Even assuming a START accord is achieved, does this not leave the President with only the option of "launch under attack" for ICBM survivability? Are you personally comfortable with an ICBM force posture that must rely for its effectiveness on a policy of "launch under attack?"

Answer. The TRIAD of strategic forces provides the President with many options in addition to "launch under attack." Collectively they work to create uncertainty as to response and thus are a very effective deterrent. ICBMs deployed by the Air Force ensure the National Command Authorities will be able to strike time-urgent, hardened Soviet targets. The Air Force program provides funding to insure that ICBMs will continue to contribute to our ability to deter the Soviets day-to-day and retaliate with a massive level of destruction. Within the TRIAD, ICBMs will continue to provide prompt, retaliatory capability in the future.

STANDOFF MUNITIONS

Question. Despite 10 years of discussion, the Air Force still lacks tactical munitions that permit a standoff distance for attacking aircraft. The most recent standoff munitions program—the Modular Standoff Weapon—was terminated by the Air Force just this last year. From your experience as Commander of U.S. Air Forces in Europe, can the current generation of aircraft function in the future if they have to fly over defended targets? How important are standoff weapons for the survivability of combat aircraft? Should vulnerable combat aircraft be retired if they have to fly over defended targets for lack of having standoff munitions? What will you do to insure that standoff conventional munitions have a higher priority than was accorded them by your predecessors?

Answer. The history of warfare can be told in the context of standoff weapons—hand - knife - lance - spear - musket - rifle - cannon - missile. Indeed airpower is an effort to standoff away from friendly territory to fight over the troops and ships of one's enemy. In the context of modern conventional munitions, the Air Force has pursued a mix of standoff capabilities largely to manage friendly attrition—weapons to destroy defended high value targets and weapons to destroy high value defenses. In the absence of defenses, the cost to destroy enemy forces, equipment, and facilities is very reasonable, using modern delivery systems and general purpose bombs and ammunition. In defended target areas, the cost to destroy is made much more reasonable by standoff munitions. There is a balance point—a knee in the curve—where the mix of standoff and general purpose weapons achieves the damage objective at minimum cost. My goal, if confirmed, will be to pursue that militarily effective capability at an economically minimum cost.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR SAM NUNN

ACTIVE/RESERVE MIX

Senator NUNN. General Dugan, I wrote you in advance and asked you to respond to certain questions for the record. Concerning the mix of Active and Reserve forces, you indicate that in the future there will be a shift to a "smaller Active duty force and a larger Reserve force proportion."

How do you plan to increase the Reserve proportion? Will you expand the number of squadrons? Will you give Reserve units more aircraft?

[General Dugan failed to respond to the committee's request in a timely manner. Answers will be retained in the committee files.]

STRATEGY GUIDING AIR FORCE

Senator NUNN. I wrote you in advance and asked you to respond to several questions in writing. In one of those questions I asked you what overall strategy was guiding adjustments in the Air Force's long term plans.

You responded that "The national military strategy, based on deterrence, combines forward defense and flexible response to ensure that no adversary could ever expect to gain by attacking the United States or its allies or by threatening U.S. interests worldwide." You went on to say that you supported Secretary Rice's "airpower theme".

It seems to me you are saying that we don't need a new strategy. That the old strategic concepts—forward defense and flexible response—are more than adequate for the future.

Is that your position? Are you saying that the old strategy is still guiding and that there doesn't need to be a new strategy?

[General Dugan failed to respond to the committee's request in a timely manner. Answers will be retained in the committee files.]

Senator NUNN. If that is the case, how are you deciding what programs should be cut and which should be retained as budgets come down?

[General Dugan failed to respond to the committee's request in a timely manner. Answers will be retained in the committee files.]

REDUCED FORCE STRUCTURE

Senator NUNN. During our hearing on the major aircraft review, Secretary Cheney indicated that the Air Force was going to cut out at least 6 wings of tactical fighter aircraft. At the same time the Air Force is planning to continue with its major new weapon programs, like the Advanced Tactical Fighter.

I take this to mean that the Air Force will accept a much smaller force structure in order to maintain modernization. How small an Air Force are you willing to go to in order to save programs like the Advanced Tactical Fighter, C-17 transport, Milstar satellite, etc.?

[General Dugan failed to respond to the committee's request in a timely manner. Answers will be retained in the committee files.]

QUESTIONS SUBMITTED BY SENATOR ALAN J. DIXON

Senator DIXON. General Dugan, I believe that we will inevitably draw down forces abroad and close bases overseas given the changes that are occurring in the world. This means that we have to place more emphasis on our ability to project forces abroad to protect our security interests. What role will the C-17 play in ensuring that we can meet our expected airlift requirements?

[General Dugan failed to respond to the committee's request in a timely manner. Answers will be retained in the committee files.]

Senator DIXON. Secretary Cheney has indicated that the Air Force will procure 120 C-17s, rather than the 210 aircraft originally planned. How will this decision affect our ability to move forces to potential trouble spots around the world?

[General Dugan failed to respond to the committee's request in a timely manner. Answers will be retained in the committee files.]

Senator DIXON. General Dugan, would you please comment on the C-17s potential applications in the area of special operations?

[General Dugan failed to respond to the committee's request in a timely manner. Answers will be retained in the committee files.]

Question Submitted by Senator John Glenn

EXEMPTION OF MILITARY PERSONNEL FROM SEQUESTER

Senator Glenn. General Dugan, last year, the administration broke precedent of previous administrations by not exempting military personnel from its Gramm-Rudman sequester decision.

I trust that you followed what ensued—we had to bail you out with a reprogramming action that in effect broke the Gramm-Rudman sequester principle to protect military personnel who were put at risk by the administration's decision.

I was disappointed that when the sequester decision was being made that the Department of Defense did not recommend that military personnel be spared. So the rhetoric that was put out by DOD that military personnel was Defense's first priority was not matched by action.

As the administration approaches another Gramm-Rudman sequester decision this year, what do you intend to recommend with regard to the exemption of military personnel from the sequester?

[General Dugan failed to respond to the committee's request in a timely manner. Answers will be retained in the committee files.]

[The nomination reference of Gen. Michael J. Dugan follows:]

Nomination Reference

As In Executive Session,
Senate of the United States,
February 20, 1990.

Ordered, That the following nomination be referred to the Committee on Armed Services:

The following named officer far appointment to the grade indicated while serving in the position of importance and responsibility designated by the President under the provisions of Title 10, United States Code, Section 601, and to be appointed as Chief of Staff, United States Air Force under the provisions of Title 10, United States Code, Section 8033:

To be General

To be Chief of Staff, United States Air Force

Gen. Michael J. Dugan, 091-28-2234, United States Air Force.

[The biographical sketch of Gen. Michael J. Dugan, which was transmitted to the committee at the time the nomination was referred, follows:]

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON DC

30 APR 1990

Honorable Sam Nunn
Chairman, Committee on Armed Services
United States Senate

Dear Mr. Chairman:

The President, under the provisions of Sections 601 and 8033, Title 10 of the United States Code, has submitted to the Senate the nomination of the following general officer for reassignment in his current grade:

NAME, GRADE AND SSAN	AGE	ASSIGNMENT (From/To)
Michael J. Dugan General 091-28-2234FR	53	From Commander, Allied Air Forces Central Europe; Commander in Chief, United States Air Forces in Europe; and Air Force Component Commander, United States European Command to Chief of Staff, United States Air Force

General Dugan is replacing General Larry D. Welch who is retiring. Confirmation action by 1 June 1990 will help insure a smooth transition to the Chief of Staff position and adequate time for several other changes of command related to this nomination. This action will not result in the Air Force exceeding the number of general officers authorized by law.

For the information of the Committee, I am enclosing a military history on General Dugan.

Sincerely,

Thomas J. Hickey
THOMAS J. HICKEY
Lieutenant General, USAF
Deputy Chief of Staff,
Personnel

1 Attachment
Military History

DATE AND PLACE OF BIRTH:	22 February 1937, Albany, New York
YEARS OF ACTIVE SERVICE:	Over 31 years as of 4 June 1989
SCHOOLS ATTENDED AND DEGREES:	US Military Academy, BS, 1958; Univ of Colorado, MA, 1972; Air War College, 1973; Air Comd & Staff College, 1965; Coin Crse, 1973; ADC Life Spt Tng, 1968; PACAF Jungle Survival Crse, 1967; Tac Ftr Comd Crse, 1972; Wpns Employment Planning, 1970; Intel Ofcr Crse, 1960; Ops Tng Crse, F-100, 1960; Adv Surv Sch, 1960; Adv Fly Tng, 1960; Prim & Bsc Plt Tng, 1959
AERONAUTICAL RATING:	Command Pilot

MAJOR PERMANENT DUTY ASSIGNMENT:	FROM	TO
Stu Ofcr, Prim Plt Tng, 3301 PTGp, ATC, Moore AB, TX	Jun 58	Mar 59
Stu Ofcr, Bsc Plt Tng, 3640 PTWg, ATC, Laredo AFB, TX	Mar 59	Sep 59
Stu Ofcr, Adv Fly Sch, F-100, 4510 CCTGp, ATC, Luke AFB, AZ	Sep 59	May 60
Stu Ofcr, USAF Opnl Tng Crs, F-100, 4520 CCTGp, TAC, Nellis AFB, NV	May 60	Sep 60
Plt, Tac Ftr, F-100, 79 TFSq, USAFE, RAF Woodbridge, England	Sep 60	Aug 64
Plt, Tac Ftr, F-100, 603 Air Commando Sq, TAC, Eglin Aux Fld #9, FL	Aug 64	Nov 65
Plt, Tac Ftr, F-100, 4410CCTWg, TAC, Eglin Aux Fld #9, FL	Dec 65	Jul 66
Stan/Eval Ofcr, A-1E, 4410 CCTWg, TAC, Eglin Aux Fld #9, FL	Aug 66	Jan 67
Plt, Tac Ftr, A-1E, 1 Air Commando Sq, PACAF, Pleiku AB, Vietnam	Feb 67	Nov 67
Specl Projects Ofcr, Mil Tng Div, Comdt of Cadets, Hq USAFA, CO	Nov 67	Aug 68
Instr, Mil Tng Div, Comdt of Cadets, Hq USAFA, CO	Aug 68	Jun 69
Air Ofcr Commanding, CS-17, Hq USAFA, CO	Jun 69	Jun 71
Air Ofcr Commanding, CWD-04, Hq USAFA, CO	Jun 71	Nov 72
Stu, Air War College, AU, Maxwell AFB, AL	Nov 72	Jun 73
Asst Ch, Objectives Assessment Br, AF/XOD, Hq USAF, Wash DC	Jun 73	May 74
Ch, Doctrine Implementation Br, AF/XOD, Hq USAF, Wash DC	May 74	Sep 75
Exec Ofcr to the Vice CofS, AF/CV, Hq USAF, Wash DC	Sep 75	Jul 77
Vice Comdr, 355 TFWg, TAC, Davis-Monthan AFB, AZ	Jul 77	Jan 79
Comdr, 355 TFWg, TAC, Davis-Monthan AFB, AZ	Feb 79	May 80
Comdr, 23 TFWg, TAC, Davis-Monthan AFB, AZ	May 80	Mar 81
Comdr, 832 AD, TAC, Luke AFB, AZ	Mar 81	May 82
Asst DCS/Ops, Hq TAC, Langley AFB, VA	May 82	Apr 83
Inspector General, Hq TAC, Langley AFB, VA	Apr 83	Jul 84
DCS/Operations, Hq TAC, Langley AFB, VA	Sep 84	Jun 86
Dir of Ops, AF/XOO, Hq USAF, Wash DC	Jun 86	Jan 87
Asst DCS/Plans & Operations, Hq USAF, Wash DC	Jan 87	Jun 87
DCS/Programs & Resources, Hq USAF, Wash DC	Jul 87	Feb 88
DCS/Plans & Operations; & Comdr, AFCOS, Hq USAF, Wash DC	Mar 88	Apr 89
CINCUSAFE; & Comdr, AAFCE; & AF Comp Comdr, USEUCOM, Ramstein AB, Germany	Apr 89	Present

SUMMARY OF JOINT ASSIGNMENTS:

ASSIGNMENTS:	DATES:	GRADE:
* Director of Operations, Deputy Chief of Staff/Plans and Operations, Headquarters United States Air Force, Washington DC	Jun 86 - Jan 87	Maj Gen
* Executive to the Vice Chief of Staff, Headquarters United States Air Force, Washington DC	Sep 75 - Jul 77	Colonel
* Chief, Doctrine Implementation Branch Assistant Chief, Objectives Assessment Branch, Directorate of Doctrine, Concepts and Objectives, Deputy Chief of Staff/Plans and Operations, Headquarters United States Air Force, Washington DC	Jun 73 - Sep 75	Colonel
* Forward Air Controller (in conjunction with duties as a tactical fighter pilot), 1 Air Commando Squadron, 14 Air Commando Wing, Pleiku Air Base, Republic of Vietnam	Feb 67 - Nov 67	Captain

* Joint Equivalent

PROMOTIONS:	EFFECTIVE DATE:
Second Lieutenant	4 Jun 58
First Lieutenant	4 Dec 59
Captain	4 Dec 62
Major	28 Jun 67
Lieutenant Colonel	1 Aug 71
Colonel	1 Apr 74
Brigadier General	1 Jul 81
Major General	1 Aug 84
Lieutenant General	1 Jul 87
General	1 May 89

DECORATIONS AND AWARDS:

Air Force Distinguished Service Medal
Silver Star
Legion of Merit with two Bronze Oak Leaf Clusters
Distinguished Flying Cross
Purple Heart
Air Medal
Air Force Commendation Medal with two Bronze Oak Leaf Clusters
Presidential Unit Citation
Air Force Outstanding Unit Award
Air Force Organizational Excellence Award with one Bronze Oak Leaf Cluster
Combat Readiness Medal
National Defense Service Medal with one Bronze Service Star
Vietnam Service Medal with three Bronze Service Stars
Air Force Longevity Service Award Ribbon with one Silver Oak Leaf Cluster and one Bronze Oak Leaf Cluster
Small Arms Expert Marksmanship Ribbon
Air Force Training Ribbon
Republic of Vietnam Gallantry Cross with Palm
Republic of Vietnam Campaign Medal

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by Gen. Michael J. Dugan in connection with his nomination follows:]

UNITED STATES SENATE

COMMITTEE ON ARMED SERVICES

Room SR-228

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearings and will also be published in any hearing record as well as made available to the public.

1. **Name:** (Include any former names used.)
Michael J. Dugan

2. **Position to which nominated:**
Chief of Staff, United states Air Force.

3. **Date of nomination:**
April 27, 1990.

4. **Address:** (List current place of residence and office addresses.)
[Nominee responded and the information is contained in the committee's executive files.]

5. **Date and place of birth:**
February 22, 1937; Albany, NY.

6. **Marital Status:** (Include maiden name of wife or husband's name.)
Married to Grace Anne Robinson.

7. **Names and ages of children:**
Colleen Dugan-Beatovich, 30; Erin Mercer, 29; Michael, 28; Sean, 27; Kathleen, 25; and Kevin, 20.

8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.
Saint Peter's Academy, Saratoga Springs, NY; 1951-1954.
United States Military Academy, West Point; 1954-1958; Bachelor of Science Degree, 1958.
University of Colorado, Boulder, CO; 1970-1972; Master of Business Administration Degree, 1972

9. **Employment record:** List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.
355 Tactical Fighter Wing, Wing Commander, USAF, Davis-Monthan Air Force Base, Arizona, February 1979-May 1980.
23 Tactical Fighter Wing Commander, USAF, England Air Force Base, Louisiana, March 1980-March 1981.

832 Air Division Commander, USAF, Luke Air Force Base, Arizona, March 1981-May 1982.

Assistant Deputy Chief of Staff Operations, Headquarters Tactical Air Command, Langley Air Force Base, VA, May 1982-April 1983.

Inspector General, Headquarters Tactical Air Command, Langley Air Force Base, VA, April 1983-August 1984.

Deputy Chief of Staff Operations, Headquarters Tactical Air Command, Langley Air Force Base, VA, September 1984-June 1986.

Director of Operations, Deputy Chief of Staff, Plans and Operations, Headquarters United States Air Force, Washington, DC, June 1986-January 1987.

Assistant Deputy Chief of Staff, Plans and Operations, Headquarters United States Air Force, Washington, DC, January 1987-June 1987.

Deputy Chief of Staff, Programs and Resources, Headquarters United States Air Force, Washington, DC, July 1987-February 1988.

Deputy Chief of Staff, Plans and Operations, Headquarters United States Air Force, Washington, DC, March 1988-April 1989.

Commander in Chief, United States Air Forces in Europe, Ramstein Air Base, Germany, April 1989-Present.

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

None.

11. **Business relationships:** List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

Agri-Tech, LTD., limited partner.

12. **Memberships:** List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

Association of Graduates, United States Military Academy.
National Aeronautical Association.
National Association for the Advancement of Colored People (NAACP).
National Space Club.
Daedalians.
Air Force Association.
Ramstein Council on International Relations.
Council on Foreign Relations.

13. **Political affiliations and activities:**

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

None.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $100 or more for the past 5 years.

None.

14. **Honors and Awards:** List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Distinguished Service Medal.
Silver Star.
Legion of Merit with two oak leaf clusters.
Distinguished Flying Cross.
Purple Heart.
Air Medal.
Air Force Commendation Medal with two oak leaf clusters.
Presidential Unit Citation.
Air Force Outstanding Unit Award.
Air Force Organizational Excellence Award with one oak leaf cluster.
Combat Readiness Medal.
National Defense Service Medal with one service star.
Vietnam Service Medal with three service stars.
Air Force Longevity Service Award Ribbon with seven oak leaf clusters.
Small Arms Expert Markmanship Ribbon.

Air Force Training Ribbon.
Republic of Vietnam Gallantry Cross with Palm.
Republic of Vietnam Campaign Medal.

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

"Airpower: Concentration, Responsiveness, and The Operational Art", published by the Department of the Army, July 1989 issue of Military Review.

16. **Speeches:** Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

[Contained in committee files.]

17. **Selection:**

(a) Do you know why you were chosen for this nomination by the President?

No, but professional qualifications and the recommendation of my departmental superiors are the most likely basis.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular position?

Thirty-two years of successful experience in a variety of operating and headquarters duties—command and staff—service, joint and combined.

18. **Commitment to testify before Senate committees:** Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

Name: Gen. Michael J. Dugan.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past 10 years have your or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employers, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either, individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

MICHAEL J. DUGAN.

This 23d day of May, 1990.

[The nomination of Gen. Michael J. Dugan was reported to the Senate by Senator Sam Nunn on June 21, 1990, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on June 22, 1990.]

TO VOTE ON THE NOMINATIONS OF: LT. GEN. CARL W. STINER, USA, TO BE GENERAL AND COMMANDER IN CHIEF, U.S. SPECIAL OPERATIONS COMMAND; ADM. FRANK B. KELSO, II, USN, TO BE CHIEF OF NAVAL OPERATIONS; GEN. MICHAEL J. DUGAN, USAF, TO BE CHIEF OF STAFF OF THE UNITED STATES AIR FORCE; AND VARIOUS ROUTINE MILITARY NOMINATIONS

THURSDAY, JUNE 21, 1990

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 11:28 a.m. in room SR-222, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Committee members present: Senators Nunn, Exon, Levin, Dixon, Gore, Wirth, Warner, Thurmond, McCain, Wallop and Gorton.

Committee staff members present: Arnold L. Punaro, staff director; Andrew S. Effron, general counsel; Marie Fabrizio Dickinson, assistant chief clerk; and Richard D. DeBobes, counsel.

Professional staff member present: Richard D. Finn, Jr.

Minority staff members present: Romie L. Brownlee, deputy staff director for the minority; Judith A. Freedman and George W. Lauffer, professional staff members.

Staff assistant present: Barbara L. Braucht.

Committee members' assistants present: Andrew W. Johnson, assistant to Senator Exon; Charles C. Smith, assistant to Senator Dixon; Anthony H. Cordesman, assistant to Senator McCain; and Charles G. Pearcy, assistant to Senator Lott.

Chairman NUNN. We will vote as soon as we get a quorum on these other nominations that have been pending for some time. I will ask all Members to remain, and I will ask the staff not to allow any Senator to leave until we get a quorum and we can get votes. Senator Gore.

Senator GORE. Mr. Chairman, I would like unanimous consent to put in prior to the vote on Admiral Kelso a lengthy and laudatory statement making reference to his nativity in Lincoln County, Tennessee, his appointment to the Naval Academy by one Senator

Albert Gore, Sr., and his general good citizenship in the State of Tennessee and my high hopes for his success.

Chairman NUNN. Without objection, so ordered.

[The prepared statement of Senator Gore follows:]

PREPARED STATEMENT BY SENATOR ALBERT GORE, JR.

Tennessee is a land-locked State, but some of its finest young men and women have often heard the call of the sea. Quite a few years ago, one young man asked his Senator for help in getting into Annapolis. He was a bright lad from a small town in Lincoln County. As always there were many applications to the Senator for support from others aspiring to the Naval Academy. But the Senator made his pick, the young man went to Annapolis, and then went on to make his mark in the course of an illustrious Navy career. It happens that the young man is now known to you as Admiral Kelso. It also happens that the Senator in question was my father, Senator Albert Gore, Sr. Things come full circle. I am extremely pleased at the opportunity, as a member of the Senate Armed Services Committee, to honor Admiral Kelso's career of dedicated service to the Nation.

Chairman NUNN. Senator Gore, if you would like, I would ask you to report the nomination to the floor, assuming we can muster a quorum here this morning and get a vote.

Senator GORE. I am pleased to have that honor, and I so move.

Chairman NUNN. Okay. If staff can round up Senators, we will vote as soon as we get 11 people physically present in the room. We have three very important nominations to vote on, so I urge everybody to get on the phone and tell your bosses if they come they will not have to stay over 1 minute. I am going to go ahead and give my statement here relating to these nominations, and then as soon as we get a quorum we will vote.

On May 22 the committee held a hearing on the nomination of Lt. Gen. Carl W. Stiner to be General and Commander in Chief of the U.S. Special Operations Command. I ask unanimous consent that several pieces of correspondence from Senator Warner and myself relative to the Stiner nomination and particularly the matters that relate to his command be entered into the appropriate record.

Is there objection? [No response.]

Without objection, they will be included in the record.

[The items referred to follow:]

[illegible]

United States Senate
COMMITTEE ON ARMED SERVICES
WASHINGTON, DC 20510-6050

June 19, 1990

General Colin L. Powell, USA
Chairman, Joint Chiefs of Staff
Room 2E873
The Pentagon
Washington, D.C. 20301-1155

Dear General Powell:

Thank you for making available for our review the proposal submitted by General Lindsay, Commander-in-Chief, U.S. Special Operations Command, concerning oversight of certain military special operations. As you know, General Stiner was not familiar with its contents and thus was not able to comment on it during his confirmation hearing.

We have been informally advised by your staff that you are not supportive of General Lindsay's proposal. We continue to see media reports, however, that the proposal is still under active consideration within the Department of Defense. Moreover, Secretary Cheney is reportedly unable to categorically state that he would disapprove the proposal since he has not been briefed on it. The Committee, therefore, would like your statement for the record concerning your position on General Lindsay's proposal.

We appreciate your cooperation on this matter.

Sincerely,

Sam Nunn
Sam Nunn
Chairman

John Warner
John W. Warner
Ranking Member

OFFICE OF THE CHAIRMAN
THE JOINT CHIEFS OF STAFF
WASHINGTON, D.C. 20318-0001

20 June 1990

The Honorable Sam Nunn
Chairman, Committee on Armed Services
United States Senate
Washington, D.C. 20510-1001

Dear Mr. Chairman,

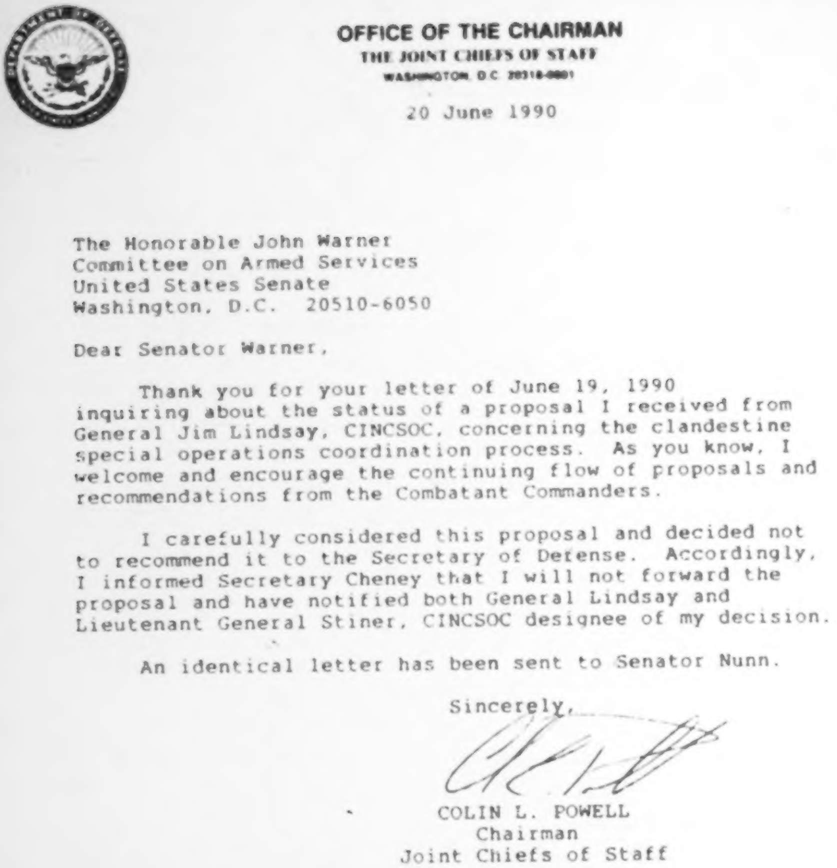
Thank you for your letter of June 19, 1990 inquiring about the status of a proposal I received from General Jim Lindsay, CINCSOC, concerning the clandestine special operations coordination process. As you know, I welcome and encourage the continuing flow of proposals and recommendations from the Combatant Commanders.

I carefully considered this proposal and decided not to recommend it to the Secretary of Defense. Accordingly, I informed Secretary Cheney that I will not forward the proposal and have notified both General Lindsay and Lieutenant General Stiner, CINCSOC designee, of my decision.

An identical letter has been sent to Senator Warner.

Sincerely,

COLIN L. POWELL
Chairman
Joint Chiefs of Staff



OFFICE OF THE CHAIRMAN
THE JOINT CHIEFS OF STAFF
WASHINGTON, D.C. 20318-0001

20 June 1990

The Honorable John Warner
Committee on Armed Services
United States Senate
Washington, D.C. 20510-6050

Dear Senator Warner,

Thank you for your letter of June 19, 1990 inquiring about the status of a proposal I received from General Jim Lindsay, CINCSOC, concerning the clandestine special operations coordination process. As you know, I welcome and encourage the continuing flow of proposals and recommendations from the Combatant Commanders.

I carefully considered this proposal and decided not to recommend it to the Secretary of Defense. Accordingly, I informed Secretary Cheney that I will not forward the proposal and have notified both General Lindsay and Lieutenant General Stiner, CINCSOC designee of my decision.

An identical letter has been sent to Senator Nunn.

Sincerely,

COLIN L. POWELL
Chairman
Joint Chiefs of Staff

Senator NUNN. On June 14, the committee held a hearing on the nomination of Adm. Frank B. Kelso, II, U.S. Navy, to be the Chief of Naval Operations, and Gen. Michael J. Dugan, U.S. Air Force, to be Chief of Staff of the U.S. Air Force.

We have received and reviewed all required paperwork on these nominees. Unless anyone would like further discussion on any of these nominees, I would now recommend we vote on each. As soon as we get a quorum here, we will vote. We also have routine military nominations, and I will entertain a vote on that when we get a quorum.

Can staff tell us if people are coming?

Mr. PUNARO. Yes, sir. We know of two or three other Senators who are on the way, and we are double checking with phone calls regarding the others. [Pause.]

Senator WARNER. Mr. Chairman, might I address the committee?

Chairman NUNN. Sure.

Senator WARNER. I would ask unanimous consent that the Senator from Virginia be permitted to insert in the record correspondence that I have had with the Chairman of the Joint Chiefs of Staff relative to the nomination of General Stiner. I intend to support that nomination, but I would like to have the record reflect some information and my own views which have transpired since our hearing on this nomination.

Chairman **Nunn**. Without objection, it will be part of the record. Would you like for it to appear at this point in the record?

Senator **Warner**. Whatever point is appropriate.

Chairman **Nunn**. Immediately prior to the vote on the Stiner nomination?

Senator **Warner**. That is correct.

Chairman **Nunn**. Without objection, that correspondence will appear immediately prior to the vote on the Stiner nomination.

Mr. **Punaro**. We have eight right now, Mr. Chairman. We are waiting for three more.

Senator **Warner**. My insertions would be part of the open record as it relates to General Stiner.

Chairman **Nunn**. Without objection, it will be part of the record.

While we are waiting, let me just announce that we are going to meet next Tuesday afternoon, but let me give you all something to think about between now and then. Senator Warner and I have discussed this briefly but not at any length. This will not be firm until after next Tuesday.

What I propose to do on committee markup is to begin on Tuesday, July 10 and have four subcommittee markups then, starting with Defense Industry and Technology at 8:30 a.m.; at 10:30 a.m. Manpower and Personnel; at 2:15 p.m. Conventional Forces; and at 4:30 p.m. Readiness, Sustainability and Support.

On Wednesday, July 11 we would have the Projection Forces and Regional Defense Subcommittee at 9 a.m., the Strategic Forces and Nuclear Deterrence Subcommittee at 10 a.m.,and then begin the full committee markup.

I would like everybody to focus on this and mark your calendars because we will have very long sessions of the full committee beginning at 2 p.m. on Wednesday, July 11. We will probably be here until at least 7 p.m. or 8 p.m. that night, depending on how much progress we are making, and then all day long beginning at 9 a.m. on Thursday, July 12, going as long as we can, taking about an hour for lunch, coming back at 1:30 p.m. and going as long as need be that night up until a reasonable hour to try to finish that night. If we cannot, we will come back for at least 4 hours the next morning and make every effort to finish that Friday by about noon on July 13.

That is the rough proposal, but we will not decide this until next Tuesday. I would like everybody to consider it.

Do we have 11 here now?

Let me start the vote. I have already introduced these. We are going to vote on the Stiner nomination, the Kelso nomination and the Dugan nomination plus some routine nominations. So let us start and vote on the Stiner nomination. We have 10 present, and we will have one more coming in.

[The information referred to follows:]

United States Senate
COMMITTEE ON ARMED SERVICES
WASHINGTON DC 20510-6050

June 18, 1990

General Colin L. Powell, USA
Chairman
Joint Chiefs of Staff
Pentagon, Room 2E872
Washington, D.C. 20301

Dear General Powell:

As you know, the Senate Armed Services Committee is considering the nomination of Lieutenant General Carl Stiner to be the Commander-in-Chief of the United States Special Operations Command. Lieutenant General Stiner would bring to that position a remarkable record of military leadership and operational accomplishments. When the United States has been confronted with difficult military situations in recent years, we have often turned to Lieutenant General Stiner to command and lead forces needed to deal with those situations. He has always answered the call.

As I said publicly at our Committee's hearing on Lieutenant General Stiner's nomination, the position of CINCSOC requires, perhaps to an extent greater than any other CINC position, a special blend of military operational and diplomatic skills. The President, by his act of nominating Lieutenant General Stiner for this position, has indicated his belief that Lieutenant General Stiner is the right person for this most challenging job. As the President's senior military advisor, you had the opportunity to personally consider the qualifications of various candidates for this position before making your recommendation to the President.

In order to provide a complete record for the Committee's review, would you please provide me with your views of the skills which Lieutenant General Stiner would bring to the position of CINCSOC and which make him the right person for the job. Your personal views on this matter would be helpful to me and to other members of this Committee in reaching our decision on this important nomination.

Sincerely,

John Warner

John W. Warner
Ranking Minority Member

OFFICE OF THE CHAIRMAN
THE JOINT CHIEFS OF STAFF
WASHINGTON, D.C. 20318-0001

20 June 1990

The Honorable John Warner
Committee on Armed Services
United States Senate
Washington, D.C. 20510-6050

Dear Senator Warner,

Thank you for your letter of June 10, 1990 asking for my views of the skills which make LTG Stiner the right person to command the United States Special Operations Command.

First, let me indorse in the strongest possible terms your observations concerning Carl Stiner's distinguished accomplishments as a leader and operational commander. On the record, he has no peer in the field of joint special operations. Further, he possesses those characteristics of competence, courage, candor and commitment which this Nation expects and requires of its senior leaders.

General Stiner's performance in four joint duty assignments has been marked by extraordinary skill and insight. First in Saudi Arabia, then as the first Chief of Staff of the Rapid Deployment Joint Task Force, and later on the Joint Staff, his sage advice was constantly sought and his performance was consistently worthy of the highest praise. He was highly successful in command of the complex and demanding Joint Special Operations Command. His selection as the operational commander for "Just Cause" exemplifies the special trust and confidence placed in his abilities and the resounding success of the operation validate that selection. As a result of his long involvement in special operations he is particularly attuned to the importance of operating within the framework of the Constitution and laws of this country and committed to the principle of civilian control.

In addition to operational skills, the CINCSOC must possess managerial experience and background to successfully train, equip, and integrate our special operations forces to provide a coordinated and balanced instrument immediately available to the President for the complex and often delicate tasks that will continue to face this Nation. His most recent command experiences clearly demonstrate his ability to handle the day-to-day management issues as well as the long term planning, budgeting and program execution requirements necessary for success as a Unified Commander with unique budgetary and acquisition responsibilities.

Both in your letter and in your remarks at the nomination hearing you expressed the view that the CINC must be a special blend of soldier-diplomat. I agree fully, and assure you that Carl Stiner's extensive experience in political-military affairs and close personal relationship with foreign officials at all levels were significant factors in his selection for this nomination. For example, he has served as a project manager with the Saudi Arabia National Guard and as the Secretary of Defense's personal representative in Lebanon. In addition to his foreign affairs background, General Stiner has had broad experience working with the Congress, presenting numerous briefings and testifying on multiple occasions. These experiences have prepared him well for his role as the senior military spokesman for joint special operations within the Department, before the Congress, with foreign governments, and with the American public.

In addition to my personal recommendation, Carl Stiner has the unanimous support of the Joint Chiefs of Staff, the Secretary of Defense and the President. He is the right person for this job. I urge his immediate confirmation.

Sincerely,

COLIN L. POWELL
Chairman
Joint Chiefs of Staff

Chairman NUNN. The Clerk will call the roll on the Stiner nomination.

Do you want to vote en bloc on all three of them, Stiner, Kelso and Dugan, as well as the routine nominations?

[A chorus of yeses.]

[The list of military nominations considered by the committee follows:]

MILITARY NOMINATIONS WHICH HAVE BEEN PENDING IN THE SENATE ARMED SERVICES COMMITTEE THE REQUIRED LENGTH OF TIME AND WHICH ARE PROPOSED FOR THE COMMITTEE'S CONSIDERATION ON JUNE 21, 1990

1. In the Naval Reserve there are 3 promotions to the grade of rear admiral (list begins with Wilson F. Flagg) (Reference No. 975).
2. Colonel Gerald E. Galloway, Jr., USA, to be brigadier general (Reference No. 1062).
3. In the Navy there are 4 promotions to the grade of rear admiral (list begins with Robert Benson Halder) (Reference No. 1114).
4. Lieutenant General Charles W. Brown, USA, to be placed on the retired list in the grade of lieutenant general (Reference No. 1147).
5. Lieutenant General Allen K. Ono, USA, to be placed on the retired list in the grade of lieutenant general (Reference No. 1148).
6. Major General Teddy G. Allen, USA, to be lieutenant general (Reference No. 1149).
7. Brigadier General Matthew A. Zimmerman, USA, to be major general (Reference No. 1151).
8. Lieutenant General Gary E. Luck, USA, to be reappointed in the grade of lieutenant general (References No. 1198).
9. In the Marine Corps Reserve there are 166 transfers into the regular Marine Corps in the grades of captain and below (list begins with Matthew J. Baker) (Reference No. 1206).
10. Lieutenant General George L. Monahan, Jr., USAF, to be placed on the retired list in the grade of lieutenant general (Reference No. 1213).
11. General Joseph J. Went, USMC, to be placed on the retired list in the grade of general (Reference No. 1221).
12. Lieutenant General William G. Carson, Jr., USMC, to be placed on the retired list in the grade of lieutenant general (Reference No. 1222).
13. Lieutenant General Charles H. Pitman, USMC, to be placed on the retired list in the grade of lieutenant general (Reference No. 1223).
14. Rear Admiral James G. Reynolds, USN, to be vice admiral (Reference No. 1228).
15. General Larry D. Welch, USAF, to be placed on the retired list in the grade of general (Reference No. 1237).
16. Major General Michael F. Spigelmire, USA, to be lieutenant general (Reference No. 1238).
17. In the Army there are 18 promotions to the grade of colonel (list begins with Joseph R. Barnes) (Reference No. 1249).

18. In the Marine Corps there are 365 appointments to the grade of lieutenant colonel (list begins with Charles R. Abney) (Reference No. 1254).

19. Lieutenant General John R. Dailey, USMC, to be general and to be Assistant Commandant of the Marine Corps (Reference No. 1265).

20. Lieutenant General William R. Etnyre, USMC, to be placed on the retired list in the grade of lieutenant general (Reference No. 1266).

21. In the Army Reserve there are 69 promotions to the grade of colonel and below (list begins with Frank Q. Bertagnolli) (Reference No. 1281).

22. In the Air Force there are 3 appointments to a grade to be determined by the Secretary of the Air Force, or in two cases to the grade of second lieutenant, (list begins with Robert A. Schmitz) (Reference No. 1284).

23. Daniel J. Kaufman for appointment as permanent professor at the United States Military Academy (Reference No. 1285).

24. In the Marine Corps there are 619 appointments to the grade of major (list begins with William S. Aitken) (Reference No. 1286).

25. Lieutenant General Robert C. Oaks, USAF, to be general (Reference No. 1294).

26. Major General William H. Reno, USA, to be lieutenant general (Reference No. 1295).

27. In the Air Force there are 38 appointments to the grade of second lieutenant (list begins with Gerald S. Alonge) (Reference No. 1296).

28. In the Army there are 5 promotions to the grade of colonel and below (list begins with Preston L. Funkhouser III) (Reference No. 1297).

29. In the Army Reserve there are 8 appointments to the grade of colonel and below (list begins with Jose A. Castrillo-Cruz) (Reference No. 1298).

30. In the Air Force Reserve there are 78 promotions to the grade of lieutenant colonel (list begins with Robert L. Alsleben) (Reference No. 1299).

31. In the Army Reserve there are 63 promotions to the grade of colonel and below (list begins with Henry J. Cook, III) (Reference No. 1300).

32. In the Army there are 198 promotions to the grade of lieutenant colonel and below (list begins with Arnold A. Asp) (Reference No. 1301).

33. In the Navy there are 359 reappointments to the grade of lieutenant (list begins with Rodante P. Allanigue) (Reference No. 1303).

34. Lieutenant General Joseph W. Ashy, USAF to be reappointed in the grade of lieutenant general (Reference No. 1304).

35. Lieutenant General Thomas A. Baker, USAF, to be reappointed in the grade of lieutenant general (Reference No. 1306).

36. Lieutenant General August M. Cianciolo, USA, to be reappointed in the grade of lieutenant general (Reference No. 1307).

37. Major General (Sel) Duane A. Wills, USMC, to be lieutenant general (Reference No. 1308).

38. Major General Robert J. Winglass, USMC, to be lieutenant general (Reference No. 1309).

39. Major General Ronald R. Fogleman, USAF, to be lieutenant general (Reference No. 1311).

40. Major General Billy M. Thomas, USA, to be lieutenant general (Reference No. 1325).

41. Major General Joseph P. Hoar, UMSC, to be lieutenant general (Reference No. 1326).

42. Lieutenant General Carl E. Mundy, Jr., USMC, to be lieutenant general (Reference No. 1327).

43. In the Army there are 6 appointments and promotions to the grade of lieutenant colonel and below (list begins with Thomas D. Challender) (Reference No. 1328).

44. In the Army there are 4 appointments and promotions to the grade of lieutenant colonel and below (list begins with Albert D. Cain) (Reference No. 1329).

45. In the Navy there are 5 promotions to the grade of lieutenant commander (list begins with Bradley A. Bailey) (Reference No. 1330).

Total, 2,038.

Chairman NUNN. Without objection, we will vote them all en bloc on the basis of a motion made with no objection. The Clerk will call the roll on all the nominations.

Mr. PUNARO. Mr. Exon?

Senator EXON. Aye.

Mr. PUNARO. Mr. Levin?

Senator LEVIN. Aye.

Mr. PUNARO. Mr. Kennedy? [No response.]

Mr. PUNARO. Mr. Bingaman? [No response.]

Mr. PUNARO. Mr. Dixon?

Senator DIXON. Aye.

Mr. PUNARO. Mr. Glenn? [No response.]

Mr. PUNARO. Mr. Gore?

Senator GORE. Aye.

Mr. PUNARO. Mr. Wirth?

Senator WIRTH. Aye.

Mr. PUNARO. Mr. Shelby? [No response.]

Mr. PUNARO. Mr. Byrd? [No response.]

Mr. PUNARO. Mr. Warner?

Senator WARNER. Aye.

Mr. PUNARO. Mr. Thurmond?

Senator THURMOND. Aye.

Mr. PUNARO. Mr. Cohen? [No response.]

Mr. PUNARO. Mr. Wilson?

Senator WARNER. Aye by proxy.

Mr. PUNARO. Mr. McCain?

Senator McCAIN. Aye.

Mr. PUNARO. Mr. Wallop?

Senator WALLOP. Aye.

Mr. PUNARO. Mr. Gorton?

Senator GORTON. Aye.

Mr. PUNARO. Mr. Lott? [No response.]

Mr. PUNARO. Mr. Coats? [No response.]

Mr. PUNARO. Mr. Chairman?

Chairman NUNN. Aye.

[Whereupon, at 11:44 a.m. the meeting was adjourned.]

NOMINATION OF MR. GILBERTO GUARDIA FABREGA TO BE ADMINISTRATOR OF THE PANAMA CANAL COMMISSION

THURSDAY, JUNE 21, 1990

U.S. Senate,
Committee on Armed Services,
Washington, DC.

The committee met, pursuant to notice, at 10:42 a.m. in room SR-222, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Committee members present: Senators Nunn, Levin, Warner, Thurmond, McCain and Gorton.

Committee staff members present: Arnold L. Punaro, staff director; Andrew S. Effron, general counsel; Marie Fabrizio Dickinson, assistant chief clerk; and Richard D. DeBobes, counsel.

Minority staff members present: Romie L. Brownlee, deputy staff director for the minority; Judith A. Freedman and George W. Lauffer, professional staff members.

Staff assistant present: Barbara L. Braucht.

Committee members' assistants present: Andrew W. Johnson, assistant to Senator Exon; William J. Lynn, assistant to Senator Kennedy; Patrick F. McCartan, assistant to Senator Wilson; Anthony H. Cordesman, assistant to Senator McCain; Charles G. Pearcy, assistant to Senator Lott; and Eric H. Thoemmes, assistant to Senator Coats.

OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman Nunn. The committee will come to order.

Our committee meets this morning to consider the nomination of Mr. Gilberto Guardia Fabrega to serve as Administrator of the Panama Canal Commission. On behalf of the committee, I extend a warm welcome to Mr. Guardia. I understand also that your wife, Teresa, is here with you, and we are delighted to have her here this morning as well.

The Administrator of the Panama Canal Commission, under the supervision and direction of the board of directors of the Commission, is the chief executive officer of the Commission. The Commission is a U.S. Government agency and exercises general and active control of its affairs and business and general supervision over its officials, agents, attorneys and employees.

Pursuant to the provisions of the Panama Canal Treaty which entered into force on October 1, 1979, the Administrator of the Panama Canal Commission beginning January 1, 1990 is to be a

Panamanian national. Mr. Fernando Manfredo was appointed as Acting Administrator by President Bush after he rejected the nominee put forth by the Noriega government. Now that democracy has been restored to Panama, the President has nominated Mr. Guardia for that position based upon a proposal from Panamanian President Endara.

The Congressional Research Service, at my request, has looked into the question of a precedent for the Senate providing advice and consent to the presidential appointment or nomination of a foreign national. The Congressional Research Service advises they have been unable to find any such precedent. This hearing thus begins an historic process, as Mr. Guardia, as far as we can determine, will be the first foreign national to be considered for confirmation by the U.S. Senate. So it is indeed an historic date for this committee, Mr. Guardia, as well as for you.

The Panama Canal will be turned over to the government of Panama at the end of this century, and the installation of a Panamanian administrator of the Panama Canal Commission is a major step in the process leading to the transition to Panamanian control of this important international waterway.

Mr. Guardia is a graduate of the University of Santa Clara in Santa Clara, California, having received a B.S. in civil engineering in 1950. He is a member of the Panamanian Society of Engineers and Architects, a fellow of the American Society of Civil Engineers, and a member of the American Society of Professional Engineers, to mention only a few of his professional affiliations which are considerable.

The administration of this strategically important international waterway was hampered until recently by the repressive policies and, in many cases, direct deliberate harassment of the Canal work force by the Noriega regime. With the return of democracy to Panama and the restoration of good relations between the United States and Panama, the environment surrounding the operation and management of the Canal has been vastly improved.

Nevertheless, the challenges for the next administrator of the Panama Canal Commission are very significant. The shipping tonnage for passage through the Canal has dropped. Tensions within the work force have developed. It will require great skill to insure that the world shipping community's confidence in the Canal is strengthened and that the previous harmony in the work force is restored.

Mr. Guardia has responded to the advance questions I sent to him, and these responses were distributed to the Members of the committee as soon as they were received. Without objection, Mr. Guardia's answers to the advance questions will be made a part of the record.

[The information referred to follows the hearing record.]

Chairman NUNN. Before I ask you, Mr. Guardia, for any statement you may have and before we start any questions to you from the committee, I will ask Senator Warner if he has any comments.

Before the Senator begins, let me announce that at 11:30 a.m. we are going to be voting on a veto override of the Hatch Act. We have three very important nominations that have been before us the required time and have had hearings on them. They relate to the new Chief of Naval Operations, the Chief of Staff of the Air Force, and also General Stiner in his new position. We will attempt to get a quorum here at 11:30 a.m., so I hope all staff members will notify your respective Senators that we will vote here at 11:30 a.m. The vote will not take over 3 or 4 minutes, and everyone will have plenty of time to get to the floor. I hope we can get a quorum here at 11:30 a.m. to vote on these three nominations.

Any objections to proceeding in that way?

Senator WARNER. No, Mr. Chairman.

Chairman NUNN. We also have a list of about 1,000 military officers that pose, I believe, no problem. We will have those, too. Senator Warner.

Senator WARNER. Thank you, Mr. Chairman. I join you in welcoming this distinguished nominee in whom the President and others have placed a great deal of trust and confidence. I look forward to receiving his responses which amplify the questionnaire which he has already submitted in response to the Chairman's letter.

Chairman NUNN. Senators Thurmond or McCain, do either of you have an opening statement?

Senator THURMOND. Mr. Chairman, I will just ask unanimous consent to put my statement in the record and merely say that we welcome Mr. Guardia here. He is a distinguished gentleman, and I will be glad to support him.

[The prepared statement of Senator Thurmond follows:]

PREPARED STATEMENT BY SENATOR STROM THURMOND

Thank you, Mr. Chairman:

Mr. Guardia, welcome and congratulations on your nomination to be the next Administrator of the Panama Canal Commission. Your nomination is a reflection of your abilities and the United States' commitment to honor its treaty with the people of Panama to relinquish control of the Panama Canal.

Mr. Chairman, slightly more than 10 years have passed since the Senate ratified the Panama Canal Treaty. During this period we have seen significant changes in the political climate throughout the world. The changes in Central America and Panama are especially noteworthy because of the re-emergence of democracy following a period of military dictatorships. The President's nomination of Mr. Guardia is a reflection of these changes and our Nation's confidence that the democratic process in Panama will continue to flourish.

Mr. Guardia, the administration will face many challenges during the next 9 years as the canal's operation is transferred to Panama. You will face the additional challenge of being the first Panamanian to hold this office. Although I know you are ready for the challenge, I hope you will not hesitate to call on me or any other member of this committee if the need arises.

It will be a pleasure to support your nomination. I wish you good luck.

Chairman NUNN. Thank you.

Mr. Guardia, we will be glad to hear from you if there are any comments you would like to make before the committee. Then we will have questions for you.

STATEMENT OF GILBERTO GUARDIA FABREGA

Mr. GUARDIA. Thank you, Senator. Good morning, Mr. Chairman. It is indeed a pleasure for me to appear before you today in connection with my nomination by President Bush to serve as Administrator of the Panama Canal Commission.

As you know, the 1977 Panama Canal Treaty between our two countries provides that beginning this year the United States is to employ a national of the Republic of Panama as the Canal's administrator. I have had the honor to be proposed by my government to be the first Panamanian to hold that important position.

I do not have to tell you, this committee, that the Panama Canal is a masterpiece which was marvelously conceived, designed and constructed, effectively melding a combination of existing natural resources, the technology available at the end of the last century, and the ingenuity and tenacity of a group of heroic men and women.

The Canal enterprise itself has also proven to be an organization of tremendous distinction. For over 75 years, through two world wars and several wide-reaching economic crises, the enterprise has provided uninterrupted, safe and efficient ocean-to-ocean service to the international shipping community. During the last ten of those years, under the new Panama Canal Treaty, the operation has maintained that same standard of excellence.

This unparalleled record of performance must certainly be a matter of great pride to all who have been involved in the Canal over the years, and I can assure you that I am extremely proud to have been nominated to join that team and lead the Canal agency as we begin this very important period in its history.

It will be extremely important to sustain the confidence of our customers in the waterway during these next ten years. We must demonstrate by an undiminished commitment to excellence that the Panama Canal will remain a viable and highly competitive alternative for world shipping not just for the balance of the 1990s but past the turn of the century and well beyond that historic benchmark. In order to succeed in this endeavor, both the United States and Panama will have to face and address formidable challenges in the years ahead, and all of us will have to work with a unity of purpose and more closely together than ever before. I want to assure you that I will devote my every effort and do whatever I can to achieve these goals.

Mr. Chairman, that concludes my prepared remarks, and I am now ready to respond to your questions or to any others from your committee members. Thank you very much.

Chairman NUNN. Thank you, Mr. Guardia. Let me just ask a few questions here, and then I will defer to my colleagues.

As an official of the U.S. Government, you will be bound by an oath to support the Constitution of the United States. Do you understand that oath?

Mr. GUARDIA. Yes, I do.

Chairman NUNN. As I read the oath of office which you provided to the committee, you commit yourself to comply with and support the laws of the Constitution of the United States as well as the laws and the constitution of the Republic of Panama. Such an oath, however, assumes that there will be no conflict between the laws and the constitutions of the two governments.

This committee, on behalf of the Senate, must insure that nominees are prepared to support the laws and the Constitution of the United States under all circumstances. Do you believe that it is possible for a conflict of laws to arise; and if there is a conflict between the laws and constitution of Panama and the laws and the

Constitution of the United States, how would you handle that situation?

Mr. GUARDIA. Mr. Chairman, I have the conviction that the laws and Constitution of the United States and the laws and Constitution of the Republic of Panama in the operation of the Canal will be completely in accord.

If we see that the laws and constitutions of both countries are based on ethical principles and that the two countries have the same purpose as far as having an efficient waterway serving the shipping community, and that the objective of the Commission is to maintain and promote the credibility in the operation of the Canal and to maintain a high moral standard within the work force of the Canal, a conflict of the laws and constitutions of both countries really would be sort of a theoretical situation.

The only area where there could be a difference would be in issues that affect the interests of the two countries, and those issues evidently will not be resolved at the level of the Administrator of the Panama Canal Commission. Those issues, if they ever come about, would have to be resolved at the level of the two governments. So I foresee really, in the administration of the Canal, no conflicts in that respect.

Chairman NUNN. If you did see such a conflict, Mr. Guardia, and it did affect your position, would you refer that conflict directly to the two governments and let the two governments know about it and simply tell them that you had been placed in an untenable position and that you wanted the two governments to reconcile?

Mr. GUARDIA. That is exactly what I would have to do, because I would be the chief executive officer of a U.S. Federal agency on the one hand and, on the other hand, I am a Panamanian national. So I would not be in a position to resolve the conflict if such a situation should arise.

Chairman NUNN. Mr. Guardia, we have had, as you well know, certain tensions in the work force of the Commission. A certain part of that may have been brought about by uncertainty and part of it perhaps by harassment. I would like to ask you whether you see tensions between Americans and Panamanians in the work force, and what steps you believe should be taken in terms of keeping the skilled personnel working together in a spirit of harmony.

Mr. GUARDIA. Yes, there are tensions that have come up that have reached a certain level, especially during the last part of the crisis that Panama went through. Those tensions have been reduced because of the changes that have taken place, but they have not disappeared. There are uncertainties within the work force. This is one of the challenges that the next 10 years will have for the Panama Canal Commission.

One of the areas is the uncertainty of what is going to be the entity that will receive the Panama Canal at the end of these ten years; what is going to be the legislation under which canal employees are going to be serving.

These are issues that should be resolved or at least addressed soon. I have a feeling that the government of Panama has to start moving into those areas and, even though the Commission cannot get involved in that process I do see myself—both as Administrator and as a Panamanian—urging that those types of issues be addressed by the Panamanian Government, because they do affect the stability and the morale of Commission personnel.

So these are issues that we will be addressing. The Commission, within its own organization is also addressing them. We have a special committee of the board of directors which deals with personnel matters and which has these issues as one of its main areas of consideration. In fact, in a meeting last month in Miami, that committee began work on these questions.

Chairman NUNN. Thank you. Senator Warner.

Senator WARNER. Could I defer, Mr. Chairman?

Chairman NUNN. Senator Thurmond.

Senator THURMOND. Thank you, Mr. Chairman.

Mr. Guardia, in past years my office assisted many of the U.S. Panama Canal employees in resolving personal problems resulting from the Panama Canal Treaty. Because of these difficulties, I understand many U.S. nationals are anticipating leaving their position with the Commission.

Are you aware of any problems with the U.S. employees, and what impact will their departure have on the Canal's operation?

Mr. GUARDIA. I have heard of this problem. I really do not have a sense yet of the level of importance or of the emphasis on that problem. It is a problem that the administration of the Canal will have to address and measure the level or the eminence of the problem.

We are going through a transition; in 10 years the Canal is going to pass to, and be the property of, the Republic of Panama; that will create tensions within the organization. We will have to keep those tensions within normal levels; this is something in which I will get involved and to which I will give all necessary attention.

Senator THURMOND. Mr. Guardia, what will be your relationship with the Government of Panama, and what role will the Government of Panama have in administering the Canal?

Mr. GUARDIA. During these 10 years, really, the Government of Panama does not have any role in the administration of the Canal. The relationship between the Commission and the Government of Panama will be the same relationship that has been in place for the past 10 years.

There is a level of coordination which I envision that will be increased during these 10 years because of the imminence of the year 2000. So there will be an increment in coordination between the two governments on the issues that will affect the operation of the Canal after the year 2000. It will be more in the nature of communication than anything else.

Senator THURMOND. Mr. Guardia, I have heard allegations from employees of the Panama Canal Commission that the maintenance of the Canal has been neglected since the signing of the treaty.

Are you aware of any maintenance problems with the Canal; and if so, what do you plan to do to correct the situation?

Mr. GUARDIA. I am not aware of any neglect in the maintenance or replacement of equipment by the Canal Commission. The visits that I have made to the Commission—and I have been getting familiar with the operation of the Canal during this period, the details of it—lead me to believe that there are maintenance programs in place and that they are of a very detailed and very responsible nature.

One of the main concerns—and it must be one of the main concerns about the operation of the Canal—is maintenance. It is something that I have heard a lot about. It is something in which we will be very much involved and following very closely to insure that we do keep the levels of maintenance and equipment replacement that are required for an efficient operation.

Senator THURMOND. Mr. Guardia, are you aware of any effort by either the United States or Panamanian Government to transfer the Canal to Panama before December 31, 1999?

Mr. GUARDIA. No, I am not.

Senator THURMOND. Mr. Guardia, this is my last question. What impact will your appointment as the first Panamanian administrator have on the morale of the U.S. work force? Do you anticipate any problems; if so, how do you plan to handle them?

Mr. GUARDIA. No, I do not anticipate any problems. As a matter of fact, I have received a very good reception from the American work force. We have had a number of meetings in which I have felt a very close and very open reception from the American work force. I do not envision any problem in that area.

Senator THURMOND. I thank you very much, Mr. Guardia.

Chairman NUNN. Thank you, Senator Thurmond. Senator Levin.

Senator Levin, I might add, has done an enormous amount of work in this area. When the legislation came through implementing the Panama Canal Treaty, I know that Senator Stennis relied very heavily on Senator Levin, and I am delighted that you could be here.

Senator LEVIN. Thank you, Mr. Chairman.

Welcome, Mr. Guardia, and congratulations to you on this nomination and on your recommendation by the President of Panama, President Endara, as well to our President for this position. You are in a very significant and unusual position, indeed, and you are going to need all the support you can get from both of our countries during the next 10 years.

My recollection of our implementation legislation is that you serve at the pleasure of President Bush or whoever our president is during this period of time.

Is there anything in the implementation legislation of this country that is currently raising any difficulty? Are you familiar with the implementation legislation that implemented the treaty?

Mr. GUARDIA. Yes, I am. I am not aware of any particular portion that would pose a difficulty to the administration of the Canal in exercising its function. There are areas where, as was mentioned here, tensions have arisen from the implementation of the treaties which I feel are normal and that the administration will have to maintain within a level that does not impair the operation of the Canal.

Senator LEVIN. You know of nothing specific in our legislation which is creating a concern at the moment, the implementation legislation which we have passed to implement the treaty between our countries? I am asking you about the law that we passed in the Congress to implement the treaty, whether you know of anything in that legislation which is creating any problem at the moment.

Mr. **Guardia**. No, I am not aware of any part of that law that is creating a problem at this moment.

Senator **Levin**. Can you tell us what positive changes have occurred in the relationship between our two countries since Operation JUST CAUSE and also if there are any negative fallouts as a result of Operation JUST CAUSE?

Mr. **Guardia**. You mean in the area of the Canal operation?

Senator **Levin**. In general first, and then I would ask you about the Canal specifically.

Mr. **Guardia**. No. I think that my view on that is the view that we find of the majority of the people of Panama, that the country was overtaken by a situation in which it was impossible to function properly. Operation JUST CAUSE was received in general as a liberation, and has been called that from the very start.

There has been a lot of destruction in Panama not only as a result of Operation JUST CAUSE, but also because of the economic destruction the country has gone through in the past couple of years.

Senator **Levin**. Has there been any problem created or has there been any positive change relative to the administration of the Canal as a result of Operation JUST CAUSE?

Mr. **Guardia**. Yes. Well, I think the operation of the Canal, as is the case with the rest of the country, is going to benefit from the results of JUST CAUSE; that is, the establishment of a democratic government and the reestablishment of government institutions that function properly. I think this will facilitate tremendously the operation of the Canal. The elimination of all of the harassment and the activities that were taking place because of this sort of political—and I say "sort of" because, really, it was not political but a situation that developed in Panama which was beyond a political situation—harassment that has ceased as a result of Operation JUST CAUSE. So I think that everything that will result from it is going to be positive in that sense.

Of course, there are problems of unemployment that are not related to the operation of the Canal itself.

Senator **Levin**. Thank you, Mr. Guardia.

Thank you, Mr. Chairman.

Chairman **Nunn**. Thank you, Senator Levin. Senator Warner.

Senator **Warner**. Thank you, Mr. Chairman.

Mr. Guardia, first I would say I am quite impressed with your achievements throughout your lifetime, and I am confident that you are fully qualified to take on this position. You have my support.

I am particularly pleased that President Bush has found a man of your background to take on this position because, in a sense, the discharge of your responsibilities, subject to Senate confirmation, will reflect on the President and his decision with respect to the liberation of Panama. I personally supported him throughout and continue to support the decision the President made. Nevertheless, the work that you and others will perform does continue to reflect on the credibility of that historic decision.

Now I have several questions here that I would like to pose. In response to an advance question submitted by Chairman Nunn—and, incidentally, I thought you answered those very thoroughly and carefully—you stated that one of the primary challenges facing the Panama Canal Commission over the next few years is to "prepare for a smooth transition to Panamanian control on December 31, 1999."

What specific actions do you propose taking to prepare for such a smooth transition?

Mr. GUARDIA. I think that a great part of the transition at this stage, the Canal operation in itself being today very efficient and very successful, will be actions that will have to be taken by the Government of Panama in preparing for the receipt of the Canal in the year 2000. I will try as best I can to facilitate that from the Commission's standpoint and to promote the type of institution or the type of entity that the Panamanian Government should structure to assure the users of the Canal that the Canal will remain an efficient operation after the year 2000.

These are actions that will have to be taken now, because, in my view, it is not just a matter of creating an autonomous institution. Panama is a very small country, and this institution has to be immune from political tensions. So it will take something a little imaginative, and it should have elements that will insure that it will not be exposed to political instability.

Senator WARNER. You anticipate that you can perform those responsibilities in a way that will not question the sovereignty of Panama or the sovereignty of the United States?

Mr. GUARDIA. I think I can. Being a Panamanian, I think that I can do that without impairing the sovereignty of the two countries.

Senator WARNER. There is legislation currently pending before the Senate Armed Services Committee, H.R. 1347, which would, among other things, increase compensation for certain members of the Panama Canal Commission as well as extend retirement eligibility to an additional category of employees.

In your opinion, how important is the enactment of that legislation to the effective operation of the Canal?

Mr. GUARDIA. Would you please repeat that?

Senator WARNER. I will tell you, I am going to allow you to submit certain answers for the record. This is a technical one, and what we will do is just ask you to answer that one for the record.

Mr. GUARDIA. Okay.

[The information follows:]

Senator Warner, this question requires a rather detailed and technical response. Since I have not yet assumed the duties of Administrator of the Panama Canal Commission, I have not had an opportunity to examine the subject at length. I understand, however, that the previous Administrator fully endorsed the bill. As it has been explained to me, the basis for that support can be summarized as follows.

If enacted, H.R. 1347 would amend the Panama Canal Act of 1979 (Public Law 96-70) to increase the compensation for Board members who do not hold office with the Governments of the United States or the Republic of Panama from the rate in effect for grade GS-18 to that of Level V of the Executive Schedule. Such compensation is payable for traveling to or from and attending Board meetings. This amendment would recognize that, as a matter of principle, the compensatory rate for Board members should be no less than that of the Administrator, over whom the Board exercises supervision. Because the Board generally holds a maximum of four meetings per calendar year, and some members are also employees of their respective governments, this provision would have no significant financial impact on the operation of the agency. The proposed legislation would also enable the U.S. citizen Deputy Administrator to receive payment of an overseas recruitment or retention differential in the same manner as provided for other eligible Commission employees pursuant to section 1217 of the Act, if the incumbent meets the criteria specified therein. Without such authorization, the incumbent of the aforementioned position would, upon a lifting of the Federal pay cap, receive less pay than many of his subordinates.

The proposed legislation would also extend early retirement under the Civil Service Retirement System (CSRS) to certain post-treaty employees. As passed by the House, it would affect 25 Commission employees, 17 of whom are Canal pilots. Retention of this core of experienced employees is critical to the continued operation of this international waterway.

Of the total current Canal pilot work force of some 240, about 30 percent are already eligible for retirement and another 30 percent will become eligible within the next 6 fiscal years, primarily under CSRS provisions, as amended by Public Law 96-70. Extension of the early retirement and the additional annuity computation benefit to the group of post-treaty employees covered by CSRS will provide them the same retention incentive available to pre-treaty employees, and entice them to stay with the Canal operation during this important period of preparation for Panama's assumption of the Canal operation at treaty end.

Section 5 of the bill is a necessary technical correction to the Panama Canal Commission Compensation Fund Act of 1988 (102 Stat. 4685; 22 U.S.C. 3715) concerning the administration of the Fund to provide for its continuance until such time as all Commission claims under the Federal Employees Compensation Act are adjudicated.

Senator WARNER. In a January 24, 1990 letter to the chairman of the board of directors, Robert Page, Acting Administrator Manfredo stated that, "The morale of the Panamanian work force is at its lowest since the treaty implementation." Mr. Manfredo alleges that this morale problem is the result of the preferential treatment of American employees.

In your opinion, how valid are the complaints of Mr. Manfredo?

Mr. GUARDIA. I think there are tensions within the work force of the Canal because there are differences in remuneration in the Canal.

Senator WARNER. What steps can you take that would hopefully improve that morale, lessen the tension and provide for a more cooperative work force?

Mr. GUARDIA. As I say, I think, first, there are differences within the Canal work force which cause tensions and some which are the result of the implementation of the treaty. Others were the result of measures taken because of the tensions and the harassment that developed in the last year and months of the Noriega regime. These differences do and have caused tensions within the work force, but there are other issues that cause tensions within the work force, too, and I think that all of them put together did rise to a level that was worrisome.

As I said, I think some of those tensions have diminished, and I hope that the implementation of actions directed toward the year 2000 on the one hand, and insuring the security of the work force on the other—and here I am talking about a very clear set of rules signaled by the Government of Panama that promote recognition for efficient work, and that indicate the permanence of a merit system for the workers after the year 2000—I think that all of those measures will bring the tensions down to a level that is manageable.

I think it would be naive to believe that we are going to be able to eliminate tensions completely during this 10 years, but we do have to promote actions like these that I have mentioned which will focus the interest of the work force in a longer-range vision of the Canal. All of these things will help in accomplishing that.

I am sure that there also will be developments as a result of the work of the committees of the board of directors that will tend to reduce the tension.

Senator WARNER. May I suggest there will also be some other material the committee will ask you to submit for the record. You might wish to amplify your response to that question, because I think it is a very important one, and it is one in which the Senate as a whole would be interested in your response.

The committee anticipated the presence of Mr. Helms, the Ranking Member of the Senate Foreign Relations Committee, this morning. He was unable to appear because of commitments before his other committee. On his behalf, therefore, Mr. Chairman and Members of the committee, I would like to ask that the questions from Mr. Helms be submitted for the record. The list of questions will be reviewed by our committee counsel and sent to the nominee at the request of Senator Warner from Virginia on behalf of Mr. Helms.

Chairman NUNN. We have precedent for that. I think that has been done before. We have always reviewed the questions to eliminate redundancy and that kind of thing and to make sure the questions are appropriate to the hearing at hand.

Subject to that, we will be glad to furnish them.

Senator WARNER. In that context, Mr. Helms would like to have the nominee know the following:

First, that we are pleased to have you present this morning together with your wife. Your excellent reputation precedes you. Every competent person in Panama who knows you believes that you will make an excellent administrator.

Your being nominated to this post, however, is a precedent set under the treaties and requires us to clarify the meaning of the legal precedent. So while these questions are directed toward you personally as the nominee, I, Senator Helms—and I am speaking on his behalf—do not in any way mean to derogate from your well-known character and integrity. These are questions for the legal record of the United States, and if there are any that you cannot answer fully at some point, please indicate the reason why to this committee.

Chairman NUNN. These questions for the record, Mr. Guardia, are a routine part of our process. Many times we have questions that are supplements to the record from Senators who cannot be here, or there may be some need for clarification.

What we would like for you to do is to take those seriously, look at them carefully and word your answers carefully. Some of these questions are very legal and technical in nature. I have looked at the list, and I would think that you would want to consult carefully on it because the answers to them do have some historical significance, particularly those relating to the laws of the United States, the laws of Panama, whether there are problems with a conflict there, the whole question of the oath of office, the situation which is unprecedented with a foreign national also heading a U.S. Government agency. All those are technical questions, and I urge you to take them seriously.

We would like to get them back as soon as you can but also making sure you have time to reflect on them and have your answers both reflective in nature and understanding that these answers may indeed have some precedent for the future. So we will give you these questions sometime today, later on this afternoon.

Mr. **Guardia**. Thank you.

[The information follows:]

Prepared Statement of Senator Jesse Helms, United States Senator From the State of North Carolina

Mr. Guardia, we are pleased to have you here this morning. Your excellent reputation proceeds you here. Every competent person in Panama who knows you believes that you will make an excellent Administrator. However, your being nominated to this post is a precedent set under the Treaties, and requires us to clarify the meaning of the legal precedent. So, while these questions are directed toward you personally, as the nominee, I do not in any way mean to derogate from your well-known character and integrity.

These are questions for the legal record, and if there are any that you can not answer fully at the present time, I ask you to submit a written explanation before your nomination is acted upon.

Senator **Helms**. Do you consider the Panama Canal Commission to be an agency of the U.S. Government?

Mr. **Guardia**. Yes.

Senator **Helms**. Do you consider all nine directors of the Panama Canal Commission to be U.S. executive officers?

Mr. **Guardia**. This would seem to be an issue of constitutional law which legal scholars from both our countries could debate for a long time, and I am not an attorney. I am advised by the U.S. Department of State, however, that in its view and that of the Justice Department, the Panamanian Board members are not Executive Officers of the United States in the constitutional sense, while the U.S. members are.

Senator **Helms**. If you are confirmed, would you consider yourself a U.S. executive officer?

Mr. **Guardia**. Yes.

Senator **Helms**. Are you aware that under Article VI, Clause III of the U.S. Constitution, all U.S. executive officers must take an oath to "preserve, and defend" the Constitution of the United States? Are you prepared to take an oath to "preserve, protect and defend" the Constitution of the United States?

Mr. **Guardia**. The Legal Office of the Department of State has pointed out that Article VI, Clause 3 of the U.S. Constitution provides that "All Executive . . . Officers . . . of the United States . . . shall be bound by oath or affirmation, to support this Constitution." I believe the oath that I will take is fully consistent with this provision.

Senator **Helms**. Are you also a citizen of Panama?

Mr. **Guardia**. Yes.

Senator **Helms**. Have you taken an oath of allegiance to the Panamanian Government or to support the Constitution of Panama?

Senator **Helms**. Pursuant to Article III of the Panama Canal Treaty, I was nominated by Panama for the position of Administrator of the Canal. Acting upon such nomination, the President of the United States has proposed to the Senate that my appointment be approved. If confirmed by the Senate, I am going to be an officer of an agency of the U.S. Government. As a citizen of Panama, having been nominated by my Government, it is my intention upon taking office to state in my oath that I will comply with and support the laws and Constitution of the United States, as well as the laws and Constitution of the Republic of Panama.

Senator **Helms**. In the event of a political dispute between the Panamanian Government and the U.S. Government, will you continue to support and defend the interests of the United States?

Mr. **Guardia**. During the nearly 11 years that the 1977 Panama Canal Treaty has been in effect, there have been a number of political disagreements between the United States and Panama, and the final 2 years of the Noriega regime (1987 to 1989) evidenced a severely deteriorated political situation between our two countries. I am advised that my predecessor, the U.S. Administrator of the Panama Canal Commission, considered it his duty to insure that the agency did not become ensnarled in these political disputes and to keep the Canal open and operating safely and efficiently, regardless of the state of affairs between the two governments at any given time. In my view, that determination was in the best interests of the United States and Panama, and as the new Administrator I would adhere to and continue that approach.

Senator **Helms**. In the event of a military dispute between the Government of Panama and the Government of the United States, will you be faithful to your oath of allegiance to the U.S. Constitution?

Mr. **Guardia**. Yes, I will be faithful to my oath as long as I am serving as the Panama Canal Commission Administrator. I do note, however, that a dispute of any sort between Panama and the United States falls within the scope of matters that should more properly be resolved by negotiations between both Governments. In my view, it is not within the province of the Administrator to be drawn into such a situation.

In the event that a military dispute were to arise, however, I would do all in my power to insure that the Canal continues to operate in accordance with the terms of the treaties; that is, that the Canal would continue to operate safely and remain neutral and open to vessels of all nations in war or in peace.

Senator **Helms**. Are you authorized by Panamanian law to swear to "preserve, protect and defend" the Constitution of the United States?

Mr. **Guardia**. There is nothing in Panama law of which I am aware that could be said to bear on the question, one way or the other. Accordingly, to the best of my knowledge, there is nothing that would preclude my taking the oath prescribed for the Administrator.

Senator **Helms**. If not, could you be the subject of a lawsuit in Panama?

Mr. **Guardia**. As indicated in the response to an earlier question, to the best of my knowledge there is nothing in Panamanian law that would preclude my taking the oath prescribed for the Administrator. Accordingly, it appears that I could not be the subject of a lawsuit.

Senator **Helms**. Is there anything in Panamanian law that permits you to "preserve, protect and defend" the United States Constitution in the event of a conflict of national interests between the United States and Panama?

Mr. **Guardia**. As stated in response to previous questions, I will be faithful to my oath as long as I am serving as the Panama Canal Commission Administrator and, in the event of a conflict of national interests between the United States and Panama, I would do all in my power to insure that the Canal continues to operate in accordance with the terms of the treaties; that is, that the Canal would continue to operate safely and remain neutral and open to vessels of all nations. Also, to the best of my knowledge there is nothing in Panamanian law that would preclude my taking the oath prescribed for the Administrator.

Senator **Helms**. Is there any Panamanian law which establishes the implementing legislation? If not, why not?

Mr. **Guardia**. The 1977 Treaty provides that the Commission is to be an agency of the Government of the United States, constituted by and in conformity with United States law. The treaty also establishes that the Commission is immune from the jurisdiction of the Republic of Panama. There is nothing in Panama law which purports to implement any portion of the treaty dealing with the management, operation and maintenance of the Canal. Those subjects are exclusively under the purview of the United States. In any event, Panamanian legislation dealing with those matters could not be made effective until the Canal passes to Panama at the termination of the treaty at the end of this century.

On the other hand, the treaty did vest Panama with responsibilities in other areas, and domestic Panamanian legislation does exist implementing certain treaty provisions. Examples include laws concerning the ports and other navigable waters transferred to Panama, working conditions in the ports and on the railroad, the provision of procedural safeguards guaranteed to U.S. citizens accused of crimes, and the use of real property which passed to Panama under the treaty.

Senator **Helms**. In your written responses to the distinguished Chairman of this committee, Senator Nunn, you propose a new oath of office which you would take if confirmed. Your proposed statement does not meet the test found in the U.S. Constitution: "to preserve, protect and defend" the U.S. Constitution.

You say, "I do solemnly affirm that I will well and faithfully discharge the duties of the office on which I am about to enter and that; on assuming said office by virtue of the Panama Canal Treaty, I will comply with and support the laws and Constitution of the United States as well as the laws and Constitution of the Republic of Panama."

However, the U.S. Constitution requires you to "preserve, protect and defend" the Constitution of the United States of America.

How does your statement of intent meet the triple test of the U.S. Constitution which requires an executive officer of the United States to "preserve, protect and defend the Constitution of the United States of America?"

Mr. GUARDIA. As stated in response to an earlier question, the Legal Office of the U.S. Department of State has pointed out that Article VI, clause 3 of the U.S. Constitution provides that "All Executive . . . Officers . . . of the United States . . . shall be bound by oath or affirmation, to support this Constitution." Taking that into consideration, I believe the oath that I will take is fully consistent with this provision.

Senator HELMS. When there is a conflict between U.S. law and Panamanian law within the scope of your authority, will you abide by U.S. law?

Mr. GUARDIA. I am not aware of any such conflict at present. The Panama Canal Treaty is part of the laws of Panama as well as the United States, and provides that the Commission will be a U.S. agency operated in accordance with U.S. laws. I intend to administer the Canal agency in accordance with U.S. law and believe that my doing so is also consistent with the laws of Panama. Were a conflict to develop in this area, however, it would in my view be a matter ultimately for the two Governments to work out between themselves.

Senator HELMS. The DeConcini Provision, approved by the U.S. Senate as a condition of ratification, states as follows:

"Subject to the condition, to be included in the instrument of ratification of the Treaty to be exchanged with the Republic of Panama, that, notwithstanding the provisions of Article V or any other provision of the Treaty, if the Canal is closed, or its operations are interfered with, the United States of America and the Republic of Panama shall each independently have the right to take such steps as it deems necessary, in accordance with its constitutional processes, including the use of military force in Panama, to reopen the Canal or restore the operations of the Canal, as the case may be".

Do you accept the right, granted by this provision, for the United States to, "take such steps as it deems necessary, in accordance with its constitutional processes, including the use of military force in Panama, to reopen the Canal or restore the operations of the Canal"?

Mr. GUARDIA. Yes. It is my understanding that the DeConcini provision was made part of the treaty arrangement at the time the instruments of ratification were exchanged. It is, therefore, part of the laws of both countries. I am also advised that the DeConcini provision was explicitly recognized and accepted in the jointly signed protocol of exchange.

Senator HELMS. The Panamanian Government included the following statement in its instrument of ratification:

"The Republic of Panama will reject, in unity and with decisiveness and firmness, any attempt by any country to intervene in its internal or external affairs."

Do you consider that this statement in any way modifies, amends, abrogates, or affects in any way the rights of the United States under the DeConcini provision?

Mr. GUARDIA. Again, I am not an attorney or an expert in international law. I am advised, however, that this provision reiterates the fundamental principle of nonintervention, which is also acknowledged in the treaty arrangements. As such, it would appear that it is not inconsistent with the DeConcini provision.

Chairman NUNN. I just want to ask you one other question from my point of view. We are very concerned about the economy of Panama, the people of Panama, and I think, of course, the progress in making economic recovery there is enormously important in terms of the Canal itself, the morale of the work force, and the environment in which they work.

How do you assess that situation now? Is progress being made economically? How bad is the situation in Panama at this time?

Mr. GUARDIA. I would say that tremendous progress is being made economically in Panama, and it is due to several factors. One of them is the tremendous optimism of the Panamanian business community and the private sector. Also, during the past years a lot of capital flew from Panama because of the instability of the situation. After December 20, as soon as things more or less normalized, well within a month after January 20, a lot of that capital returned to Panama, and the economy has started to move surprisingly fast; it is expected that the growth in the economy for this year, 1990, will be on the order of about 7 percent, which is a higher-than-normal figure. It is more so if we consider that we were starting from a minus situation, a negative situation. It does reflect a lot of movement in the economy especially in the area of commerce. That has started to pick up very fast.

The restrictions on deposits in Panama have been lifted. Recently, the savings accounts were unfrozen, and the result of that was that very little or almost an insignificant amount was withdrawn from the banks. This month, time deposits will be unfrozen, and it is expected that, here again, a lot of that capital will remain available for economic activity.

Even though the influx of the aid package has not arrived yet in Panama, the economy is developing a momentum, really. The gravest problem that exists right now—which is something that is unfortunately slow to resolve—is the unemployment problem. There is very high unemployment, and it takes a lot of dynamics in the economy to reduce that to a level that is manageable or reasonable. This is the perspective, more or less.

As far as the feeling of security in the streets, I think that a lot of improvement has been accomplished in that area. There is still a lot of crime, but we are getting well within the normal levels, especially in the cities of Panama and Colon, which are the two main urban centers. I think they are within normal levels now. So the outlook is very encouraging.

There is an estimate by economists in Panama who look into this that they are expecting growth in 1991 to be at the level of about 10 percent, which is very encouraging if that takes place.

Chairman NUNN. That is encouraging. I am delighted to hear that.

Senator Levin, are there other questions?

Senator LEVIN. I am all set. Thank you.

Chairman NUNN. Senator Gorton, do you have any questions?

Senator GORTON. No questions.

Chairman NUNN. Mr. Guardia, we appreciate very much your being here..We are again delighted your wife came with you.

We are looking forward to working with you over the years. I anticipate no problem with your confirmation. You come with a great deal of recommendations and credentials. The questions for the record we will get to you sometime this afternoon. We hope to vote on your nomination sometime next week. If you could, over the weekend answer the questions and try to get them back to us early next week. The Senate goes on a 1-week Fourth of July recess period beginning a week from tomorrow, and it would be my hope, if we can get your answers back early next week, that we will be able to bring this matter to the committee and then to the Senate as quickly as possible.

We know you have very important duties, and we wish you well in your undertaking in this historical opportunity and challenge.

Mr. GUARDIA. Thank you very much, Mr. Chairman.

Chairman NUNN. Thank you.

[Whereupon, at 11:28 a.m. the hearing was adjourned.]

[Prepared questions submitted to Gilberto Guardia Fabrega by Senator Nunn prior to the hearing with answers supplied follow:]

QUESTIONS FOR MR. GILBERTO GUARDIA FABREGA

DUTIES

Senator **NUNN**. Article III.3.(c) of the Panama Canal Treaty and Section 3613 of Title 22, United States Code provide for the position of Administrator of the Panama Canal Commission.

Should you be confirmed as Administrator of the Panama Canal Commission, what duties do you expect to perform?

What do you believe the relationship of the Administrator to be to the Supervisory Board of the Panama Canal Commission?

Mr. **GUARDIA**. It is my understanding that the Administrator, subject to the direction and under the supervision of the Board of Directors, serves as the Chief Executive Officer of the Panama Canal Commission. As such, I will exercise general and active control over the Canal enterprise, including its offices, business and operations, and general supervision over its officials, agents, attorneys, and employees. In addition, I will exercise such authorities vested by law in the Commission as are allocated to me by the Board.

OATH

Senator **NUNN**. Article VI, clause 3, of the Constitution of the United States provides that all executive officials of the United States shall be bound by oath or affirmation to support the Constitution of the United States.

Are you prepared to take such an oath?

Mr. **GUARDIA**. Yes.

Senator **NUNN**. Do you believe that you can support the Constitution of the United States under all circumstances even though you are not a national of the United States?

Mr. **GUARDIA**. Yes, as evidenced by the oath of office (copy attached), which I will take upon assuming the post of Administrator.

"I do solemnly affirm that I will well and faithfully discharge the duties of the office on which I am about to enter and that; on assuming said office by virtue of the Panama Canal Treaty, I will comply with and support the laws and Constitution of the United States as well as the laws and Constitution of the Republic of Panama."

GILBERTO GUARDIA F.,
Administrator, Panama Canal Commission.

MOST SERIOUS PROBLEMS

Senator **NUNN**. What do you consider the most serious problems in the management and operation of the Panama Canal? What management activities and timetables would you establish to address these problems?

Mr. **GUARDIA**. In my view, the primary challenges facing the Panama Canal Commission over the next few years are to insure the continued safe and efficient operation of the Canal and, at the same time, prepare for a smooth transition to Panamanian control on December 31, 1999. We will also have to continue to maintain and improve the waterway to assure its value to Panama as well as to maritime and trade interests of the world shipping community well into the next century; and we will need to encourage personnel practices which will foster a high level of morale within the Canal organization.

QUALIFICATIONS

Senator **NUNN**. What do you believe are the necessary skills and qualities that an individual should possess to be the Administrator of the Panama Canal Commission? What education and practical experience do you have to equip you to perform in that position?

Mr. **GUARDIA**. The Panama Canal Commission is in essence an international utility. As such, it should be operated in accordance with generally accepted business principles and well-defined budget programs. Accordingly, the Administrator should have a solid background in business management. In that regard, I believe that my training as a professional engineer and my experience as president and chief executive officer of a large architectural and civil engineering firm in Panama for over 25 years will serve me well in my new position with the Canal.

WORK FORCE MORALE

Senator **Nunn**. The committee has been advised that there are some problems between American and Panamanian employees of the Panama Canal Commission which have led to morale problems in the work force.

Are you aware of these problems?

Mr. **Guardia**. Yes.

Senator **Nunn**. What do you believe are the root causes of these problems and what steps would you plan to take to address them?

Mr. **Guardia**. In my estimation, much of the situation at the Canal is a natural consequence of the treaty implementation phase in which the Commission finds itself at this point in time. The Board of Directors is already addressing this issue in the larger context of preparations for the transfer of the Canal to Panama at the end of this century. In fact, the Board has established standing committees to study a whole range of matters, including those directly affecting the morale of the work force. I fully support those planning efforts and intend to participate actively in them as the new Administrator.

OPERATION JUST CAUSE

Senator **Nunn**. The committee has received a great deal of testimony concerning Operation JUST CAUSE; the committee leadership visited Panama shortly after the invasion; and has actively followed the events in Panama subsequent to that operation. Naturally, that operation has had significant impact with respect to relations between the United States and Panama and on the future management and operation of the Panama Canal.

What do you believe is the net result of Operation JUST CAUSE on the Panama Canal Commission and what is your personal opinion concerning the long term prospects for the operation and management of the Panama Canal?

Mr. **Guardia**. As you may be aware, the Noriega regime had been causing serious operational difficulties for the Commission for quite some time, principally through the harassment of both its Panamanian and U.S. citizen employees. With the dismantling of that dictatorship and the reinstatement of a democratic system in Panama in the wake of Operation JUST CAUSE, there is a new and dramatically improved relationship between our two governments, which can only augur well for the future of the Panama Canal.

PREPARATION FOR TURNOVER

Senator **Nunn**. Article III.8. of the Panama Canal Treaty, after referring to the Supervisory Board and the Administrator and Deputy Administrator of the Panama Canal Commission, provides for "growing participation of Panamanian nationals at all other levels and areas of employment" in the Panama Canal Commission "with the objective of preparing, in an orderly and efficient fashion, for the assumption by the Republic of Panama of full responsibility for the management, operation and maintenance of the Canal upon the termination of" the Treaty.

Do you believe that adequate progress has been made by the Panama Canal Commission and others to meet this objective?

Mr. **Guardia**. Yes, but we must nevertheless continue our efforts in this area.

Senator **Nunn**. What steps would you take to sustain or accelerate, as appropriate, the process of preparing for the assumption by the Government of Panama of its responsibility to manage, operate and maintain the Canal upon termination of the Panama Canal Treaty?

Mr. **Guardia**. The transition from American to Panamanian control of the Canal at the end of the century must be accomplished without significant disruption in efficient operations, and the waterway must continue to be a cost-effective and competitively viable alternative for world shipping. To accomplish these goals, Panama must begin now to focus on a number of issues. I believe some of the most important among these are the type of entity which will operate the Canal with Panama as the next steward, and the employment system which the Canal entity will offer under Panama's control.

For its part, the United States can facilitate the planning effort by readily sharing available information and data with Panama that describe and explain the functional alignments, management practices and regulatory systems now followed by the Panama Canal Commission. In addition, the United States could ease the transition to Panamanian control of the Canal by examining existing U.S. legal requirements in such fields as labor relations, as well as in appropriate personnel and fiscal matters. In many instances, Panama treats subjects such as these in a manner sub-

stantially different from that provided for under current U.S. law, and consideration might thus be given to whether the two systems can be more closely aligned in some respects prior to the date the Canal is transferred.

[The nomination reference of Gilberto Guardia Fabrega follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
May 10, 1990.

Ordered, That the following nomination be referred to the Committee on Armed Services:

Gilberto Guardia Fabrega, a citizen of the republic of Panama, to be Administrator of the Panama Canal Commission, vice Dennis P. McAuliffe.

[The biographical sketch of Gilberto Guardia Fabrega, which was transmitted to the committee at the time the nomination was referred, follows:]

BIOGRAPHICAL SKETCH OF GILBERTO GUARDIA FABREGA

Place and date of birth: Panama City, Republic of Panama; February 13, 1930.

Marital status: Married; Teresita.

Children: Three.

Education: University of Santa Clara, California, B.S. in Civil Engineering, 1950.

Main endeavor: President and General Manager of Diaz y Guardia, S.A., an architectural and engineering firm engaged in civil works and steel manufacturing.

Professional licenses:

Professional Engineer, issued by the Technical Architecture and Engineering Board; Panama, Republic of Panama (1951).

Professional Engineer, issued by the former Canal Zone Board of Professional Architects and Engineers; Republic of Panama (1959).

Professional Engineer, Office of the Director of the Registry of Professional Engineers of the State of Florida, U.S.A. (1979).

Other activities:

Member of the Boards of Directors of the following Organizations:
— Banque Nationale de Paris (Panama)
— Dadeland Bancshares; Miami, Florida
— Dadeland Bank; Miami, Florida
— World Business Council; Washington, D.C.
— Latin American Institute of Advanced Studies (ILDEA); Panama, R. P.

Former Director of:
— Panama National Council of Private Enterprises
— Panama Chamber of Commerce, Industries, and Agriculture
— Panama Association of Business Executives
— Panama Chamber of Construction
— Rotary Club, Southern Chapter

Member of the following organizations:
— Panama Society of Engineers and Architects
— Panama Chamber of Construction
— Panama Association of Business Executives
— Rotary Club, Southern Chapter
— Fellow, American Society of Civil Engineers
— American Concrete Institute
— American Society of Professional Engineers

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nomi-

nee. The form executed by Gilberto Guardia Fabrega in connection with his nomination follows:]

UNITED STATES SENATE

COMMITTEE ON ARMED SERVICES

Room SR-228

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearings and will also be published in any hearing record as well as made available to the public.

1. **Name:** (Include any former names used.)

Gilberto Guardia Fabrega.

2. **Position to which nominated:**

Administrator of The Panama Canal Commission.

3. **Date of nomination:**

May 10, 1990.

4. **Address:** (List current place of residence and office addresses.)

[Nominee responded and the information is contained in the committee's executive files.]

5. **Date and place of birth:**

February 13, 1930; Panama City, Panama.

6. **Marital Status:** (Include maiden name of wife or husband's name.)

Married to Teresa Garcia de Paredes.

7. **Names and ages of children:**

Juan Ignacio Guardia, 22; Gilberto Jose Guardia, 36; and Teresita Guardia de Fabrega, 39.

8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.

Colegio Centro America (Granada, Nicaragua), 1944 to 1946, high school diploma.

University of Santa Clara (Santa Clara, CA), 1946 to 1950, B.S. in Civil Engineering.

9. **Employment record:** List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.

President/Chief Executive Officer, Empresas Diaz & Guardia, S.A., Edificio Diaz & Guardia, Calle 50, Paitilla, Panama City, Panama, June 1952 to March 1990.

10. Government experience: List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

Member, Board of Directors, Panama's Institute of Housing and Urban development (1960).

Member, Panama's National Economic Council (1960 to 1960).

Employed as an estimating engineer by Panama's Ministry of Public works (1950 to 1951).

11. Business relationships: List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation,

company, firm, partnership, or other business enterprise, educational or other institution.

NOTE: The Boards of the organizations listed below hold meetings as follows: those marked (*) meet once a month, the one marked (**) meets three times a year, and those marked (***) meet once a year. The remainder (unmarked) do not hold meetings.

Banque Nationale de (*) Paris (Panama) Panama, R.P.	Commercial Bank	Alternate Member, Board of Directors
Dadeland Bank-shares Inc. (***) Miami, Florida	Bank Holding Company	Member, Board of Directors
Dadeland Bank Inc. (*) Miami, Florida	Commercial Bank	Member, Board of Directors
Compañia Azucarera (*) La Estrella, S.A. Panama, R. P.	Sugar Production & Marketing Company	Member, Board of Directors
Jutegi, S.A. Panama, R.P.	Real Estate Investment Company	Chairman, Board of Directors
Macedonian Overseas Investment Corp., S.A. Panama, R.P.	Real Estate Investment Company	Chairman, Board of Directors
G.G.P., S.A. Panama, R.P.	Holding Company	Chairman, Board of Directors
Encode, Inc. (***) Miami, Florida	Engineering & Construction Firm	Member, Board of Directors
Acacia Homes, Inc. (*) Miami, Florida	Real Estate Development Company	Member, Board of Directors
Oxford Investment Inc. (*) Miami, Florida	General Partnership	Member, Board of Directors
Bonical Invest. Inc., S.A. Panama, R.P.	Investment Company	Chairman, Board of Directors
Key Eighty, Inc. Miami, Florida	Holding Company	Chairman, Board of Directors
Key Brick, Inc. Miami, Florida	Holding Company	Chairman, Board of Directors
World Business Council (**) Washington, D.C.	Non-profit Educt'l. Organization	Member, Board of Directors
Lat. Am. Inst. of (*) Advanced Stds. (ILDEA)	Non-profit Educt'l. Institution	Member, Board of Directors

12. **Memberships:** List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

World Business Council.
Latin America Institute of Advanced Studies (ILDEA).
Panama Society of Engineers and Architects.
Panama Construction Chamber.
Panama Association of Business Executives.
Rotary Club, Panama Southern Chapter.
Fellow, American Society of Civil Engineers.
American Concrete Institute.
American Society of Professional Engineers.

13. **Political affiliations and activities:**

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

None.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $100 or more for the past 5 years.

1987 - $500 to Panama's Christian Democrat Party.
1988 - $500 to Panama's Christian Democrat Party.
1989 - $1,200 to ADOC (Democratic Association of Civilian Opposition).

14. **Honors and Awards:** List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Awarded the Order of St. Sylvester, Pope, by the Vatican for design and construction of the Papal Nunciature building in Panama City, Panama.

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

None.

16. **Speeches:** Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

(a) CADE '90 (Annual Conference of Executives) - April 1990 "Development and Uses of our Geographical Location".

(b) Panama Canal Society of Professional Engineers - June 1990 "The Challenge of the Decade of the 90's".

17. **Selection:**

(a) Do you know why you were chosen for this nomination by the President?

The Panama Canal Treaty of 1977 between our two countries provides that a Panamanian national shall be proposed to the United States of America by the republic of Panama for appointment as Administrator of the Panama Canal Commission. I have been honored by my country in being thus proposed, and further honored by President Bush in being nominated to the U.S. Senate for this important appointment.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular position?

The Panama Canal is in essence an international utility and, as such, should be operated in accordance with generally accepted business principles and well-defined budget programs. I believe that my background and experience as a professional engineer and as president and chief executive officer of a large architectural and engineering firm engaged in civil works will serve me well in this new endeavor.

18. **Commitment to testify before Senate committees:** Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

Name: Gilberto Guardia Febrega.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

Part E—Foreign Affiliations

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past 10 years have your or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

Part F—Financial Data

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employers, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either, individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

GILBERTO GUARDIA F.

This 7th day of June, 1990.

[The nomination of Gilberto Guardia Fabrega was reported to the Senate by Senator Sam Nunn on June 28, 1990, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on September 10, 1990.]

NOMINATION OF RICHARD A. CLAYTOR, TO BE ASSISTANT SECRETARY OF ENERGY FOR DEFENSE PROGRAMS

FRIDAY, SEPTEMBER 28, 1990

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 10:07 a.m., in room SR-222, Russell Senate Office Building, Senator J. James Exon presiding.

Committee members present: Senators Exon, Levin, Glenn, Warner, Thurmond, and Gorton.

Committee staff members present: Arnold L. Punaro, staff director; Andrew S. Effron, general counsel; and Madelyn R. Creedon, counsel.

Minority staff members present: Romie L. Brownlee, deputy staff director for the minority; George W. Lauffer and John E. Mansfield, professional staff members.

Staff assistant present: Barbara L. Braucht.

Committee members' assistants present: Andrew W. Johnson, assistant to Senator Exon; Kenneth N. Luongo, assistant to Senator Levin; Leon S. Fuerth, assistant to Senator Gore; Robert M. Soofer, assistant to Senator Gorton; and Charles G. Pearcy, assistant to Senator Lott.

OPENING STATEMENT OF SENATOR J. JAMES EXON, PRESIDING

Senator EXON. The committee will please come to order.

The committee meets today to consider the nomination of Mr. Richard A. Claytor to be Assistant Secretary of Energy for Defense Programs. I want to welcome Mr. Claytor here this morning and tell you how delighted we are with this nomination and that you are here. I also want to welcome Mr. Claytor's family—his wife, Lee Claytor, and his two sons, Douglas and Richard, Jr. We are delighted to have you with us.

I also want to express the regrets of Chairman Nunn, who had a longstanding conflict and could not be here this morning for this important meeting.

The Assistant Secretary for Defense Programs is responsible for national security functions relating to the management and the implementation of the nuclear weapons programs, including weapons research and production. As part of that responsibility, the Assistant Secretary is charged with maintaining the existing nuclear weapons stockpile and ensuring that new weapons designs are incorporated with all available safety measures.

In addition, he will take the lead in restoring the ailing Department of Energy weapons complex to a safe and environmentally sound operation and status. At the same time, he must work to modernize the complex, many portions of which have outlived their original design lives.

Modernization of the complex in a time of budget restraints will be an especially difficult task because it will require far more than new hardware and modern equipment. Modernization must also include restoration of the public confidence in the ability of the Department of Energy to meet our defense needs in a safe, environmentally sound and cost-effective manner.

The Assistant Secretary of Energy for Defense Programs will have the day-to-day responsibility for all of these tasks. This is an extremely difficult and challenging job, and I am confident from Mr. Claytor's background and experience that he will be up to this very serious challenge.

Mr. Claytor has responded in advance in writing to the policy questions from the Committee. These have been distributed to all Members. I ask unanimous consent that the answers to those questions be made a part of the record at the appropriate point. Without objection, that is so ordered.

I am very pleased to welcome my great friend and colleague from South Carolina, who has worked very closely with this Senator, and I will call on him in a moment or two for any opening statement that he has. I am also pleased that Senator Glenn is with us this morning, and he may have an opening statement because, like the rest of the committee, he has been very much involved, in this whole very important challenge that you are now taking on.

I have not gone into extensive discussion of Mr. Claytor's background. Senator Warner, the ranking member of this committee, is here now to introduce Mr. Claytor. Before I call on Senator Warner for that task, I would like to recognize at this time my great friend from South Carolina, Senator Thurmond, for any opening statements or comments that he might have, and then Senator Glenn. Then we will go to Senator Warner.

Senator THURMOND. Thank you very much, Mr. Chairman. I will make a very brief statement, with the hope that we can act swiftly on this nomination.

The position of Assistant Secretary of Energy for Defense Programs is one of the most critical in the Department of Energy. Filling this position is especially important because the Department of Energy is about to restart the reactors at the Savannah River site and, hopefully, begin construction of the new production reactor within the next 2 years.

As the ranking member of the Subcommittee on Strategic Forces and Nuclear Deterrence, I share with my friend and colleague, Senator Exon, the responsibility for oversight of our nation's nuclear weapons complex. We all know that weapons production is at a standstill because of safety and environmental concerns. We cannot allow this situation to continue.

Although Secretary Watkins has made progress toward resolving many of the problems, the task is overwhelming. He needs an Assistant Secretary for Defense Programs who can focus solely on these critical issues.

Mr. Chairman, I believe we have before us today the individual who will focus on these issues. Mr. Claytor has extensive experience in the nuclear arena, both in the military and civilian community. In my judgment, he possesses the technical background and professional management experience for this critical position.

Mr. Claytor, I join the members of this committee in welcoming you and congratulate you on your nomination. I believe you are well qualified and I will support your nomination.

Thank you, Mr. Chairman.

Senator EXON. Thank you, Senator Thurmond. Senator Glenn, any opening comments?

Senator GLENN. Yes, just briefly, Mr. Chairman. I thank you very much.

I wish to welcome Mr. Claytor, also Mrs. Claytor and the family. We welcome all of you today. I might also say that you must not be all bad, Mr. Claytor, because your brother called and has made a representation on your behalf—Graham Claytor, and we have worked with him around here for many years, of course, so we welcome his recommendation also.

In some ways, you are taking on one of the most difficult and, I am sure you will think at times, one of the most thankless jobs of Government—the management of our Nation's crippled nuclear weapons complex. To paraphrase DOE Secretary Watkins, what is needed "is to make sure the hydraulic lines from the captain's bridge reach the rudder," and that is what you will be trying to do.

We can all set glorious plans for how we are going to go about all this cleanup and all the things that need to be done, but there is an awfully big organization out there that is a little hard to turn around sometimes. That is one of the difficulties Secretary Watkins has had.

Some of this complex has gone on without the kind of management we know you are going to give us and we hope you will give it too for many years. We need a lot of things. We need the implementation of a modernization program, how we are going to deal with the Savannah River restart, how we put safety before production, which is how we got into some of this mess where we have so much storage of leftover material out there, preventing the global spread of nuclear weapons—one that we are much involved with here—and other problems as well.

I am chairman of the Governmental Affairs Committee. We have certain jurisdiction in these areas of nuclear matters like this and have pointed out some of the difficulties with the nuclear weapons complex in the past, in addition to the fine work that has been done on this committee by Chairman Exon.

So we look forward to working with you to get this whole thing under control. We have worked the last couple of years with Secretary Watkins, of course, and look forward to working with you as you try to carry out his desires in this area.

Thank you very much, Mr. Chairman.

Senator EXON. Thank you, Senator Glenn. I, too, had a call from his brother, a very great American, another individual very prominent in the United States Navy, and your brother told me, Richard, that he would be very happy to come out for you or against you, depending on what would be the most helpful. [Laughter.]

I told him that I felt that you would be adequately represented by salty dogs and that probably he should just lay low at this particular juncture. We are, therefore, very pleased to recognize the very distinguished Ranking Member of the Committee, the Honorable John Warner, the Senator from Virginia, who sits up here ordinarily but is sitting down there now for the purpose of introducing you. I am very pleased to recognize you at this time, Senator Warner, with the caveat only that we will not have a battleship discussion this morning.

STATEMENT OF HON. JOHN WARNER, U.S. SENATOR FROM THE STATE OF VIRGINIA

Senator WARNER. Thank you, Mr. Chairman and members of the committee. We will defer that for a later day.

Mr. Chairman, the Chair and members of the committee have stated a good deal of the biographical data that covers the outstanding career of this extraordinary man and his family. I think it is a great partnership—the husband-and-wife team and two sons joining together now to offer their collective services to our country at a time of great need in an area where there are very few individuals qualified to take on these responsibilities. I say that because you will work long hours and your wife and family will bear the brunt of that as time goes on.

Mr. Chairman, I would ask unanimous consent that my statement relative to the nominee by our President be incorporated in the record and I will just add a few personal observations. We should recognize that he graduated from the United States Naval Academy in 1949, remaining on active duty through 1973, with assignments both at sea and ashore of the toughest and most demanding nature, all related to the field under which he will undertake new responsibilities on behalf of the President.

I think perhaps the greatest accolade that I or others could pay him is that he sat at the right hand of Rickover and survived—not only survived but, I am sure, contributed greatly to the various projects that Admiral Rickover, that distinguished American, was able to achieve.

I wish you luck, Captain. You are on your own.

[The prepared statement of Senator Warner follows:]

PREPARED STATEMENT OF SENATOR JOHN WARNER

Mr. Chairman, I am pleased that you have been able to schedule this hearing on Mr. Claytor's nomination so quickly after the President announced the nomination on September 10. This position is truly critical right now: this country's nuclear weapon production complex is at a standstill. Rocky Flats is closed. Hanford is closed. Savannah River is closed. If we do not succeed in getting production started safely and soon, we are on the road to becoming a former nuclear power. In the years ahead we are going to need more, not less, confidence that we can maintain and modernize our nuclear deterrent.

We have been engaged in the nuclear weapon business now for 50 years. In our history as a country, few endeavors have been as striking and radical in the degree that they changed the way we view our national defense. And equally, few endeavors have had such continuous and unanimous bipartisan support. We viewed the nuclear weapon establishment as a kind of cornerstone of the postwar peace, and gave it legal and budget priorities accordingly.

We did not know at the time—no one did—that the environmental practices judged adequate at the time would prove to be such a problem now. And we also did not realize how difficult it would be to remedy the situation as long as nuclear weapon production was the sole priority of the DOE.

Secretary Watkins brought to the Department of Energy a new vision and a new culture—one that makes safety and environmental responsibility an equally important part of DOE's mission. The committee and the entire Congress has given him enthusiastic support in this, and will continue to do so.

The nomination of Rick Claytor to oversee the nuclear weapon program in DOE is the latest step in this new culture. The Secretary has affirmed that this nomination is his highest priority right now. I hope this hearing today will move us forward toward filling this important job.

Thank you, Mr. Chairman.

Senator EXON. Thank you very much, Senator Warner.

Mr. Claytor, we will accept your written statement in full for the record at this time and I would recognize you to proceed in any fashion that you see fit. If you would like to read the full statement, we would be perfectly willing for you to do that. If you would rather just make comments after I have now accepted, without objection, your written statement into the record, then you can summarize.

Please proceed in any fashion that you see fit.

STATEMENT OF RICHARD A. CLAYTOR, ASSISTANT SECRETARY OF ENERGY FOR DEFENSE PROGRAMS-DESIGNATE

Mr. CLAYTOR. Thank you very much, Mr. Chairman. First, let me thank Senator Warner for his introduction and kind remarks, and also Senator Thurmond and Senator Glenn. I appreciate that very much.

I will not read the rather lengthy statement, but I thought I would deliver a short oral statement to you summarizing the key points I have made in my written statement.

Mr. Chairman and members of the committee, I thank you very much for the opportunity to appear before you as President Bush's nominee for Assistant Secretary of Energy for Defense Programs. I am very honored to be nominated and to be here before you.

I would like to express what I believe is the primary mission of the Office of Defense Programs in the Department of Energy, and I want to read this one statement. It is to "preserve the nuclear deterrent for the United States by carrying out the research, development, design, testing, production and surveillance of safe and reliable nuclear weapons in a manner that will protect the health and safety of the public and our workers and preserve the environment."

I would like to come back briefly to that theme and discuss some of the central issues facing the Office of Defense Programs, but first I would like to talk to you a little bit about my experience, some of which has been touched on here.

Senator WARNER. If the gentleman would yield, would you also incorporate in your opening comments why you were willing to undertake this job? I think that is important.

Mr. CLAYTOR. Thank you very much. Perhaps I will just respond to that right now. I did not seek the job. I am currently Principal Deputy Assistant Secretary for Nuclear Energy. I had taken that job earlier, and I expected to serve three or more years in that assignment. Admiral Watkins called on me to do this, to take on this assignment. It was a tough question, and I consulted with my wonderful wife of 40 years and she said if you want to do it, do it.

So I am here to do that. There are two principal reasons why I accepted. The first is I believe in the nuclear deterrent. I think it is absolutely a vital part of our entire national defense. I believe firmly in it.

Second, I believe in Secretary of Energy Admiral Watkins. I am a Naval Academy classmate of Jim Watkins. I worked with him in the naval reactors program under Admiral Rickover. I know his standards are extremely high. They are very tough to meet. They are comparable to those of Admiral Rickover, and he is employing the same standards of excellence and personal responsibility and accountability, I believe, in that. So I am just tickled to death to help him in the job, and I appreciate your asking me that question.

A little bit more on my career, just to touch on it. After graduating from the Naval Academy, I served at sea for 4 years. I did graduate work and have post-graduate degrees in naval architecture and marine engineering. Later, I took advanced courses, graduate courses, in nuclear reactor engineering.

I served 24 years in the Navy, retired as a captain in 1973, and the last 17 years I did work directly for Admiral Rickover in Washington and in Pittsburgh.

I left the Navy and went to work for an architect-engineering firm that is well known to the Department of Energy and to the Government, Burns and Roe. I served there for another 16, 17 years in various executive capacities, and I just completed an assignment as president of their west coast subsidiary.

I was called back here by a close associate, Mr. Bill Young, who is currently Assistant Secretary for Nuclear Energy, to be his deputy. I had worked with him in the Rickover program and I had worked with him at Burns and Roe. I was delighted to do that, and I got back here and took on that assignment in May. So that brings you up to date.

I do believe that my background is well rounded and is appropriate to serve in this very important position. There are really two points I would like to make on that. One is that I worked many years, as indicated, for Admiral Rickover, and I have acquired his standards of excellence, and I understand nuclear engineering. I think that is vitally important in this assignment. And, second, I think my business experience is very helpful, particularly in these times of budget constraints where we must operate this entire complex in a much more cost-effective way. And I intend to devote energy to that.

I would now like to touch on three significant topics involving Defense Programs. In all of my remarks, I would like to stress that I have not been around the defense program operation very long. I have studied it in the last few weeks, so my remarks should be taken in that context. I have not dug into these issues very deeply, but I have a general understanding of the key issues.

First, nuclear weapons production facilities. I would like to make two major points. First, we must get the nuclear weapons production complex back on its feet. We must do that. Second, we must not do that in a business-as-usual way, but in a way that protects the public and our workers and prevents damage to the environment, at the same time keeping the public fully informed of these activities.

As you know, there are two key facilities not fully operating. Senator Thurmond mentioned Savannah River. That is one of them. And the Rocky Flats operation is the other. If confirmed, I will make it a top priority to review in depth the planning for the resumption of operations at these facilities. But I want to stress that I would only recommend resumption to the Secretary when I am satisfied that it is entirely safe to do so and the necessary preoperational steps have been taken.

Beyond these two facilities, we have a large complex of another dozen or so facilities. I will work on all of the facilities. It is important that we build on the initiatives Secretary Watkins has begun, ensuring we are improving the standards at these facilities—such things as tiger team evaluations, the implementation of an improved award fee process, intensive training of our employees, and much-improved standards and procedures. As I stressed earlier, I must work to make our complex cost-effective.

The second area of importance I would like to stress is the safety of our nuclear weapons stockpile. If confirmed, I will become immediately and personally involved in this issue, which is one of the most serious I face. I intend to work closely with the Department of Defense and the Nuclear Weapons Council, and look carefully at the recommendations of the Nuclear Safety Committee, which is a subcommittee of the Council.

I will, of course, examine the immediate concerns with a number of weapons that have been questioned. I recognize the Congress has commissioned the Drell panel, and their recommendations will be forthcoming. I will certainly review those recommendations very carefully.

There are certain other very important elements in preserving the safety of the nuclear weapons stockpile beyond a specific weapon examination, and I would like to just stress what they are. They include the preservation of our outstanding scientific capabilities at our nuclear weapons laboratories; the continuation of our stockpile evaluation program, wherein we periodically bring weapons back for inspection, disassembly and testing; and the continuation of our underground nuclear testing program.

The third area I would like to stress is the reconfiguration of our nuclear weapons complex. The subject has been under study by the Department for some time. When Secretary Watkins appeared on the scene in early 1989, he recognized that the report that had been done on reconfiguration needed another full review, and he gave it that. As recently as this summer, in light of events on arms control and the changing world situation, he redirected that study to look at reconfiguration—how do we make it more cost-effective, more consistent with world realities, and flexible to meet changes; perhaps a smaller complex, one that fits the needs of the time.

So the study was redirected, but it is terribly important. We know it is important to the Congress, and we expect to have that completed by year-end. I will be intimately involved in that entire reconfiguration investigation and study.

I would now like to mention briefly, just briefly, four other areas of importance in the Office of Defense Programs. First, the need to continue a strong and effective program for the security and safeguard of our nuclear materials, our weapons and weapons components, and our very valuable technical information.

Second, the need to work effectively with the new Office of Environmental Restoration and Waste Management. They have developed a Five-Year Plan, and I will participate actively in the pursuit of those goals, assisting Mr. Leo Duffy, who is in charge of that program. One major area is the minimization of wastes in our ongoing production operations. It will have a very salutary effect on the environment if we can bring that off.

Third, and very important, is the need to preserve the technical strength in weapons research, development and technology at our three nuclear weapons laboratories—Sandia, Los Alamos, and Livermore—while at the same time seeking new roles for the laboratories in such areas as technology transfer, improving education, and strengthening U.S. economic competitiveness.

I would be glad to discuss that whole subject in more detail. It is extremely important. It would be my responsibility to preserve their technical strength, while the labs take on new roles, as they must. Secretary Watkins calls these laboratories the crown jewels. I have had the good fortune of visiting all three very briefly. I was tremendously impressed. We must make every effort to use the laboratories in other areas, including such things as verification of nuclear tests, intelligence, arms control, and a variety of other high technology areas that we need to pass along to U.S. industry to improve its competitiveness. There are actions underway in all of these areas.

The fourth point I would like to make is the need to work closely with the internal and external oversight groups, the several set up by Admiral Watkins in the Department of Energy, and the one by the Congress, the Defense Nuclear Facilities Safety Board, with whom I have already met. We must work closely with them. I recognize their responsibilities and I will cooperate fully.

With regard to cooperation, I, of course, need to stress and will stress here that I want you to know, Mr. Chairman and all the members of the committee, that I will work very closely with the Congress, with this committee, your subcommittee, Mr. Chairman, the other Members of Congress who have responsibilities and interests in the Department of Energy's Defense Programs, and I will keep you fully informed of our programs.

I would like to make, in conclusion of my oral statement, five final points. Number one, I will work hard to improve the technical capabilities of the Department at all levels, both Headquarters and in the field. We need to strengthen the technical capability of our people. I will work very hard on that.

Second, I will set an example of a commitment to excellence for myself, and I will expect it of our people.

Third, I will promote the importance of personal responsibility and accountability in all our work.

Fourth, I will work hard to rebuild the morale of the Office of Defense Programs, and I would just like to make a side comment on that. I think this morale problem has arisen among many proud and dedicated people who worked for much of their careers on the nuclear deterrent. Many of them were caught up in the policies that existed over the years of emphasizing production over health and safety and protecting the environment.

I am convinced that they understand today that production must not take precedence over health and safety. It is correct that the Department deserves severe criticism for the problems that were created, but many of these people were simply complying with the policies that existed and were doing the best they could and thought they were doing the right thing. I want to restore that morale to Defense Programs. It is extremely important. There are many, many fine people in Defense Programs.

Finally, and related to that, I will adopt, if confirmed, a goal that the Office of Defense Programs will demonstrate by its performance that it deserves the respect of the American public.

I thank you very much for the opportunity to appear before this committee and I would be pleased to answer any questions you have, Mr. Chairman.

[The prepared statement of Mr. Claytor follows:]

STATEMENT OF RICHARD A. CLAYTOR

NOMINEE FOR ASSISTANT SECRETARY OF ENERGY FOR DEFENSE PROGRAMS

Mr. Chairman and Members of the Committee, thank you for the opportunity to appear before you today as President Bush's nominee to be Assistant Secretary for Defense Programs in the Department of Energy. I am honored to have been nominated for this extremely important and challenging position.

First, I believe it is important to emphasize what I consider to be the primary mission of the Department of Energy's Office of Defense Programs. It is this: To preserve the nuclear deterrent for the United States by carrying out the research, development, design, testing, production and surveillance of safe and reliable nuclear weapons in a manner that will protect the health and safety of the public and workers and preserve the environment.

I will return to this theme in a moment and discuss as well some of the central issues I believe are facing the Office of Defense Programs. The Committee should understand that I have only had a short time to review the various Defense Programs issues. I would appreciate your considering these comments in that context. Before I proceed further, I would like to outline briefly my background and qualifications for this position.

Background and Experience

I am a 1949 graduate of the U.S. Naval Academy. I served on active duty as a commissioned officer for 24 years retiring in 1973. Following my first four years of duty at sea, which included ship command, I attended postgraduate school at Webb Institute of Naval Architecture from which I graduated with a Master of Science degree in naval architecture and a Bachelor of Science degree in marine engineering.

Following graduation from Webb, I was ordered to duty with Admiral Hyman Rickover's naval nuclear propulsion program, serving simultaneously in the Navy's Bureau of Ships and in the Atomic Energy Commission. Following completion of graduate level courses in nuclear engineering at Bettis Atomic Power Laboratory in Pittsburgh, I began a 16-year period reporting directly to Admiral Rickover.

My first assignment - for seven years - was Project Officer for commissioned nuclear submarines on Admiral Rickover's headquarters staff here in Washington. In this job, I was responsible for managing the overhaul, refuelings, alterations and maintenance of the nuclear propulsion plants of the submarines in commission. My next assignment was Assistant Manager for Operations in the Pittsburgh Naval Reactors Office where I served for ten years until my Navy retirement. During this period, I served as the government's representative overseeing the technical work of the Bettis Atomic Power Laboratory; I also directed the quality assurance program for reactor plant equipment and nuclear reactor cores employed in nuclear powered submarines and surface ships.

Upon my retirement from the Navy, I joined the architect/engineering firm of Burns and Roe where I served until joining the Department of Energy early last year. At Burns and Roe I held several executive positions, and, for the past eight years, I was president of Burns and Roe's Los Angeles subsidiary.

I believe this experience provides me with a well-rounded background to take on the assignment of Assistant Secretary for Defense Programs. My nuclear engineering management experience, particularly with laboratory oversight and quality assurance, as well as the long association with Admiral Rickover's high standards of excellence should serve me well in assisting Secretary Watkins in his program to effect a major culture change in the Department's Defense Programs. In addition, my experience in running a business for several years should be helpful in improving the business management of our nuclear weapons complex, which I believe deserves greater emphasis in these times of severe budget constraints.

Nuclear Weapons Production Facilities

Returning now to the central issues which I believe are facing the Office of Defense Programs today--the most significant current issue, in my judgment, is to get the nuclear weapons production complex back on its feet. However, this must not be done in a business-as-usual manner. It must be done, as Secretary Watkins has repeatedly emphasized, in a way that will protect the public and our workers, prevent damage to the environment and, at the same time, do so in a way that keeps the public fully informed. Two key facilities, the Savannah River reactors which produce tritium and the Rocky Flats operation which produces and processes plutonium products, are not operating. The situation at Rocky Flats, in particular, is having an added severe impact on production operations at other facilities in the complex which depend on the orderly flow of products among the various facilities to carry out its mission.

Major activities, under the Secretary's direction, are now underway by highly qualified and motivated - but new - contractors aimed at resuming operations at Savannah River and Rocky Flats, but only under conditions where safety and environmental considerations are paramount. As a first priority if I am confirmed, I will review in detail the Department's plans for resumption of operations at these two locations. Before recommending resumption of operations to the Secretary, I will satisfy myself that it is safe to do so and that all necessary pre-operational steps have been completed to my satisfaction.

These same principles of assuring safe and environmentally benign operations of course apply at all our defense facilities and laboratories. I have had the good fortune recently to visit all twelve of the nuclear weapons facilities. I can say that Admiral Watkins' messages on safety and the environment have been received. These topics are at the top of the agendas of the Department and contractor management with whom I visited. Nonetheless, changes do not come easily after so many years where the emphasis on meeting production goals was the overriding consideration in our nuclear weapons work.

There is much more to do to foster the right safety culture within the Department and its contractor organizations. If confirmed, I intend to build on the initiatives already begun such as Tiger Team evaluations, more effective implementation of the award fee process, intensive technical training of Department and contractor personnel, significantly improving our operating standards and procedures, strengthening the Department's oversight activities and other initiatives. I pledge to work hard to carry out these and other initiatives to provide me with confidence in the continued safe and environmentally acceptable operation of all of the Department's defense facilities.

It has been suggested that implementation of these initiatives--getting tougher with our operating contractors, as some have said--will result in adversarial relations with our contractors. I see no reason why this should be the case. It is important that our contractors know what is expected of them and recognize that we intend to hold them to their contracts in a fair and equitable manner. During my tenure with Admiral Rickover's organization, I dealt for nearly 20 years with operating contractors who were held to at least as high a standard as we currently expect of our operating contractors, and we achieved a very positive and productive relationship.

I realize that these initiatives to upgrade our defense operations cost money. We cannot do immediately all the things which need to be done, and we must prioritize the various planned activities; this is indeed being done today by the Office of Defense Programs. However, I believe we must put much greater emphasis on good business management practices throughout our nuclear weapons complex and seek ways to do the important things with fewer people and in a cost effective manner. If confirmed, I intend to stress this philosophy.

Nuclear Weapons Safety

I recognize that the subject of nuclear weapons safety is one of the most serious issues I will face if confirmed as Assistant Secretary for Defense Programs. Nuclear weapons safety concerns have received much attention over the past several months, and I anticipate continuing attention in the future. I recognize that nuclear weapons safety involves trade-offs from the very early stages of weapon development up to the decision to retire a weapon. These trade-offs involve a number of issues including consideration of military characteristics other than safety, operational requirements, costs and schedules. Clearly, controversy exists over the relative weight given to these various trade-offs for some of our weapons. If confirmed, I will become immediately and personally involved in an examination of these trade-offs to arrive at appropriate recommendations to make to the Secretary.

Also, I expect to serve as the DOE representative on the Nuclear Weapons Council. As the Department official responsible for the DOE weapons laboratories, I will, of course, have direct access to nuclear weapon design bases and design features which can have significant impact on weapon safety. I would therefore expect to provide major input to the Council's deliberations on nuclear weapons safety, including consideration of recommendations made to the Council by its Weapons Safety Committee.

Regarding the Weapons Safety Committee which reports to the Council, I believe this is a very important body, and it is important that it work effectively to provide advice and assistance to the Nuclear Weapons Council on matters affecting nuclear weapons safety. If confirmed, I will strongly support this objective.

On a broader perspective, I recognize that there are several other essential elements in assuring the continued safety of the nuclear weapons stockpile; these include:

1. Retention of the nuclear scientific competence at the Department's nuclear weapons laboratories. This is our tie to the past, as well as our resource to produce higher levels of safety for future systems.
2. Continuation of the stockpile evaluation program wherein weapons are returned for disassembly, test, inspection and evaluation.

3. Continuation of nuclear testing at the Nevada Test Site.
4. Continuation of efforts by the laboratories to improve the data base on both nuclear weapons safety and performance.

In summary, if confirmed as Assistant Secretary for Defense Programs, I will give the subject of nuclear weapons safety immediate and personal attention with the objective of assuring the safety of our nuclear weapons stockpile consistent with our national security requirements.

Reconfiguration of the Nuclear Weapons Complex

Shortly after assuming duties as Secretary of Energy, Admiral Watkins concluded that the Department's previous report on modernization of the nuclear weapons complex was inadequate. Accordingly, he directed that a new and more realistic review be undertaken of the reconfiguration of the weapons complex.

Last month, in light of ongoing arms control efforts and potential changes in U.S. military strategy due to recent world events, he redirected this effort so that the complex will be able to support, safely and reliably, whatever nuclear deterrent stockpiles are set forth by the President and funded by the Congress. This redirected study is underway and is expected to be completed by year-end.

Admiral Watkins has stated that we need a complex that is consistent with the realities of the emerging international security environment and flexible enough to accommodate the likely range of deterrent contingencies. I agree, and, if confirmed, I plan to be intimately involved in the decision-making process for the reconfiguration study.

Security and Safeguards

Protection of our valuable assets, including our nuclear materials, our weapons and our weapons components, and our technical know-how, throughout the nuclear weapons complex remains one of the most important responsibilities of the Assistant Secretary for Defense Programs.

Recently, to strengthen the oversight of security and safeguards at our defense facilities, the responsibility for conducting inspections and evaluations was assigned to the Assistant Secretary for Environment, Safety and Health, and a new Office of Security Evaluations was established under his overall management. I recognize and fully support this independent evaluation activity and will cooperate fully in the conduct of inspections and evaluations of security matters at our defense facilities.

Notwithstanding this reorganizational step, I recognize that security and safeguards of Defense Programs' facilities and information is a line responsibility. I fully intend to give it my personal attention and assure that we maintain a high level of performance in this particularly sensitive area.

Environmental and Waste Management Considerations

At his hearing for confirmation as Secretary of Energy, Admiral Watkins not only stressed the vital importance of injecting a new safety and environmental culture into the Department's Defense Programs but also strongly emphasized that wastes at the Department's facilities be handled, processed, stored and disposed of in compliance with safety and environmental standards and in full partnership with federal, state and responsible local authorities.

The Secretary accordingly directed that a Five-Year Plan be developed for environmental restoration and waste management and established the Office of Environmental Restoration and Waste Management. This office is responsible for consolidating environmental cleanup, compliance and waste management activities identified in the Five-Year Plan.

The Five-Year Plan includes several goals and commitments where the Office of Defense Programs, as the responsible Department line organization for operating defense facilities, has a responsibility. If confirmed, I intend to assure that such goals and commitments are met, including the following of particular importance:

1. Compliance with laws and regulations aimed at protecting public health and the environment.
2. Continual examination of environmental regulations to ensure that DOE's compliance actions effectively reduce risk to human health and the environment.
3. Implementation of programs to minimize current waste generation and future waste disposal requirements.

In addition, it is extremely important that there be an orderly transfer of responsibilities for waste management from the Office of Defense Programs to the new Office of Environmental Restoration and Waste Management. When programs are transferred, a formal written transfer document is prepared which identifies any remaining actions which remain the responsibility of Defense Programs following the transfer. In addition, Defense Programs will provide technical support to the Environmental Restoration Office as required to assist in problem resolution following the transfer.

The Office of Defense Programs has responsibility for controlling those sites where production operations are taking place. These operations over the years have created both waste and environmental problems of varying degrees at the different sites.

It is essential that there be a close working relationship between the two organizations to help clean up the problems of the past and avoid such problems in the future. Also, Defense Programs must take appropriate actions to resolve open issues, such as waste characterization and plans for handling and storage of excess special nuclear materials, before sites no longer needed for production are turned over. These and other responsibilities of both organizations are set forth in a Memorandum of Understanding between the Offices of Defense Programs and Environmental Restoration and Waste Management.

Accordingly, I will make it a matter of high priority to assure cooperation at both my level with the Director of the Office of Environmental Restoration and Waste Management and by Defense Programs employees with their counterparts in his organization.

Role of the Weapons Laboratories

Several weeks ago, Secretary Watkins testified before the Congress on the future of the Department's National Laboratory complex and, in particular, the future of the nuclear weapons laboratories.

As a framework for addressing this problem, he pointed out the changing geopolitical realities of the 1990s, the heightened concern for the environment, the need to improve education at all levels, and the need to sustain and improve U.S. economic competitiveness in an increasingly global and free marketplace. With respect to the latter topic, he noted that the National Competitiveness Technology Transfer Act of 1989 made technology transfer a mission of our DOE laboratories and provided a new mechanism for laboratory-industry cooperation--the cooperative research and development agreements.

He further pointed out that the DOE laboratories, including the weapons laboratories, have already made and are making substantial contributions to education and technology transfer. However, he concluded that a fresh look at the future of the laboratories was needed and accordingly commissioned a subgroup of the Secretary of Energy Advisory Board to first develop a tasking statement for a study of the laboratories' future and then perform the study.

If confirmed as Assistant Secretary for Defense Programs, I will follow the progress of this study carefully and expect to assist the Secretary in the implementation of its recommendations where they are deemed to benefit our weapons laboratories. Although this initiative implies an expanding and somewhat diversified role for our weapons laboratories--in helping, for example, to strengthen U.S. economic competitiveness--it is clearly the Secretary's intention, and mine, to retain the strong nuclear weapons research, development and testing base which has preserved the nuclear deterrent--and world peace--for the past 45 years.

Cooperation with Internal and External Oversight Groups

Recognizing the need for effective oversight of the Department's nuclear related work, both the Secretary and the Congress have moved to establish oversight groups.

Within the Department, defense facilities, including operating standards and procedures, are subject to the independent evaluation of the Office of Nuclear Safety for nuclear safety related matters; the Office of Environment, Health and Safety for non-nuclear and industrial safety, radiation protection and environmental compliance; and the Advisory Committee on Nuclear Facility Safety which was established by the Secretary.

Meanwhile, the Congress established by law the Defense Nuclear Facilities Safety Board as an independent group within the executive branch with the responsibility to review all aspects of nuclear safety matters at the Department's defense facilities.

I wish to assure this Committee that I will cooperate fully with these independent oversight groups and will provide them with full access to such facilities, personnel and information as they consider necessary to carry out their responsibilities.

Cooperation with the Congress

If confirmed as Assistant Secretary for Defense Programs, I look forward to working closely with you, Mr. Chairman, and your colleagues on this Committee. I will keep your Committee and other members of Congress who have responsibilities in connection with our Defense Programs fully and currently informed on our programs.

Conclusion

I would be less than forthcoming if I did not say that there are morale problems in the Department's Defense Programs. These have arisen among many proud and dedicated people who devoted much of their careers to the preservation of our nuclear deterrent. Many of them have been caught up in broad policies made in the past that emphasized production at the expense of health, safety and the environment. If confirmed, I pledge to work hard to rebuild morale within the Office of Defense Programs.

In addition, I intend to lead this program and to:

- Set the example by making an unqualified commitment to excellence both for myself and for my associates in the Department of Energy's Defense Programs and its contractors.
- Promote the importance of personal responsibility and accountability throughout the organization.
- Improve technical capabilities at all levels, both in Headquarters and in our field activities.
- And, finally, adopt a goal that the Office of Defense Programs will demonstrate by its performance that it deserves the full respect of the American public.

Senator EXON. Mr. Claytor, thank you very much for your excellent opening statement. Certainly the fact that you were encouraged to take on this important new assignment by Secretary Watkins has a great impression on the committee. We have high respect for Secretary Watkins. We know he has worked very hard to reverse what you have alluded to, and what we have called on this committee, one of the most ugly pieces of work or lack of work, the improper cleanup and the inadequate safety that presently handicaps our nuclear production complex.

It is easy to look back and criticize why this was not done or that was not done. At the time, of course, that all this was going on, we, unfortunately, were not as much concerned about cleanup and safety as we were with producing the nuclear stockpile that was deemed critically necessary for our deterrence.

Those of us to whom it has befallen to help get this situation cleaned up can look back and say we are sorry that it happened that way, but let us not dwell on the past; let us press on to the future to getting this situation cleaned up. We have found the Secretary very forthcoming in this area and I was indeed reassured to hear your comments along these lines in your opening testimony.

Let me get into two or three specifics. As I understand it, I was delighted to hear you say that you would not recommend beginning operations at Savannah River until you were convinced that all safety concerns had been addressed. I believe that is the right way to proceed.

Let me ask you this question. Things seem to be going well in that regard at Savannah River. What is the latest time when we might expect that facility to operate once again under the conditions that you have set forth?

Mr. CLAYTOR. Mr. Chairman, I guess the public statement by the Secretary that is on the record at this point is that he indicated plans for restart of the K reactor, the first one, in December of this year. Currently—and there has been something in the press on this—there are a number of things to do that have arisen, work that remains to be done in order to get this reactor started—perhaps more than was anticipated.

I cannot give you a date here today. I can tell you that we are proceeding along the lines we both agreed, that it has to be safe. There is work to be done, and our people are working very intensely on that right now. We have people at Savannah River working with Westinghouse very carefully to make sure we get everything done.

We will not, on the other hand, do everything conceivable. We will do the things that are really essential to be done for assuring safety, and that is the situation we currently face. I suspect shortly that the Department will advise the Committee precisely where we stand. I cannot confirm to you that it will be December, nor can I tell you it will be a later date at this time. But there is a good deal of work remaining to be done.

As I indicated, Savannah River and Rocky Flats are absolutely the number one and two on the hit parade, in whichever order you want to put them, and I will certainly get into that, if confirmed, immediately to examine all the things we have to do.

Senator EXON. I interpret from your statements today, though, that we should not be surprised if that December date slides forward sometime into 1991.

Mr. CLAYTOR. Well, sir, I do not think that it would be a surprise if there is some delay. I do not know how much. We are working on it. That is all I can say to you at this time. There is a lot of work to be done, and we are looking at it. I know we have people at Savannah River, and the Secretary is right on top of that. I do not know the answer to that question right now.

Senator EXON. That is reasonable enough

Now let us move on to Rocky Flats.

Rocky Flats presents somewhat of a different problem, I suggest, and I would like to have your opinion on it, if you have studied it. The stated goal of the Department of Energy, is to move out of that facility at the earliest possible time. There is now a controversy with regard to Rocky Flats as to whether or not a brand-new processing facility building needs or should be built at that facility, or whether or not the present facilities could be remodeled, cleaned up, and meet the short-term assignment for production facilities there.

Have you had a chance to study whether or not you do support the proposition of a rather expensive brand-new facility there that, if it is built, obviously for a decent return on our investment, nuclear defense-wise, we would expect it to be operating for some number of years?

You know, there is somewhat of an inconsistency here. Are we going to move Rocky Flats out of its close proximity to Denver, Colorado, which has been demanded time and time again, when are we going to move it and, if we are going to move it, why are we building the expensive new facility there if indeed our intention is to move it?

Mr. CLAYTOR. Mr. Chairman, I have not studied the Rocky Flats situation in depth. It is very complex. I would say that my understanding of the Secretary's position is that he plans to see that we move the Rocky Flats work to some other location at the earliest practical time consistent with preserving the nuclear deterrent and meeting our obligations under the stockpile memorandum.

I am aware that the Department had put forth a request for a new building, a modification to an existing building, and that is being examined today. There are alternatives that are being looked at within the Department in light of the fact that the Congress has not appropriated money for that.

There is a need at Rocky Flats, as I understand it, to take care of a great deal of plutonium residues and various other forms of plutonium that must be processed safely, and hence the Department's request that they need facilities much improved over what is there to do it safely.

And there is a long-term goal, as I understand it, for Rocky Flats, in that the facility has to be decontaminated and decommissioned at some point, assuming we follow the path of moving it to some other location. Facilities are needed for that. I also understand that this facility the Department proposed would take care of that in a safe manner. So that is the reason it has had importance.

Beyond that, I cannot say any more. I simply do not have enough information now to tell you just exactly what is the right thing to do. I will be, as I said earlier, immediately involved in the Rocky Flats situation, in the examination of getting it started up safely, which is the immediate area we are working on, because we need that in order to meet our responsibilities, and, second, to examine the longer-term role for the operation.

Senator EXON. My time is up and I will recognize Senator Thurmond next for his round of questions. I am sure you do not have the answers to all these questions, but I just wanted to indicate to you the concerns of many of us on this committee, and I have tried to draw the difference between what I think is the situation at Savannah River and what is the situation at Rocky Flats.

I and other members of this committee have some very serious questions, if not some reservations, about going ahead with an expensive investment in Rocky Flats. Does it make sense to invest so much in a new building there if we are going to make a move from the Rocky Flats facilities?

We do not believe, as a committee, that we have received the information that would justify the expenditures. I just wanted to alert you that that is a potential problem that we want to work with you on to get the information that we do not think we have now.

With that, I am pleased to recognize Senator Thurmond.

Senator THURMOND. Thank you, Mr. Chairman.

I might say at the beginning that I concur with Senator Exon's statement in connection with Rocky Flats, and if you can get us that information it will be very helpful.

Mr. CLAYTOR. Yes, Senator Thurmond and Mr. Chairman. I will make a point of presenting that information to you as soon as we can pull it all together.

Senator THURMOND. Mr. Claytor, Steven Schwartz of Greenpeace alleges that your engineering experience is only marginally relevant to DOE's production reactor programs and not relevant at all to weapons production. Would you please comment?

Mr. CLAYTOR. Yes, sir. I think it is very relevant. I have a fairly deep understanding of nuclear energy and nuclear physics and nuclear reactors and, having had graduate courses in that and having spent 17 years working for Admiral Rickover in that field, I saw that statement and I recognized there were references to facilities and so on that are not reactors.

During my service for Admiral Rickover, I was responsible for quality assurance of the entire naval nuclear programs—equipment, components, materials, and reactor cores—and I spent ten full years—this is when I was in Pittsburgh—traveling around the country visiting and doing quality control evaluations of all of these facilities that had very elaborate processes, such as manufacture of reactor cores.

I think I have a very good understanding of the high technology that goes into this kind of work. I also feel that my experience in management of operating contractors, such as Westinghouse and General Electric, which I had with Admiral Rickover's program, parallels the kind of work we have in the Office of Defense Programs, and I think I am well qualified on that basis, sir.

Senator THURMOND. Mr. Claytor, it has been suggested by Steven Schwartz of Greenpeace that Burns and Roe was somehow involved in misleading the government with regard to the site of the proposed Clinch River breeder reactor. Two questions.

Did Burns and Roe ever withhold information from the GAO on this? Second, were you in any way involved with the Clinch River project?

Mr. CLAYTOR. Sir, I have no evidence that Burns and Roe withheld any information from the GAO. I think that was your question. I have not heard of that at all.

I would say this with regard to that statement. I have had some association with Clinch River, to answer that question, but let me clarify. I have read that statement. They allude to a confidential internal memorandum that was prepared in July of 1973 by Mr. Young, who is now the Assistant Secretary for Nuclear Energy and my immediate boss.

I arrived at Burns and Roe on October 1, 1973, after that memorandum was written and those issues were raised. When I arrived at Burns and Roe, I was assigned by Mr. Ken Roe, the Chairman, as his executive assistant, with oversight responsibilities for all the projects and all the engineering in the company. Clinch River was one of the projects. So I had some oversight role.

Because Clinch River, among Burns and Roe's projects, was probably the best-managed and best-run by Mr. Young and others, I spent very little time on it, and I have no recollection of any problems such as were brought out in this memorandum.

Senator THURMOND. Mr. Claytor, in August 1988, the Department of Energy announced a preferred new production reactor acquisition strategy which involved proceeding on an urgent schedule with construction of the new production reactor. However, the political climate has changed significantly since that time.

In your judgment, is there still an urgency to proceed with the construction of a new production reactor? If so, when do you anticipate the needs for new tritium production capacity will become critical?

Mr. CLAYTOR. To pick up on the last question, I do not know the precise date on that, sir. Let me comment in this way.

I think, as is generally known to the Congress, the immediate source of tritium will be the Savannah River existing heavy water reactors, the K reactor, P reactor and so on, for a number of years. It is recognized that these reactors are 40 years old and they need to be replaced. We always will need tritium as long as we have the nuclear deterrent, so we do need at some point to replace them.

I cannot tell you precisely, sir, when we will absolutely need these new reactors. But I will say this, I have checked recently with Dr. Monetta, who is the Department director in charge of this program. I am sure you have met with him. He indicates to me that we are still on schedule to do exactly what you said.

We are planning to have an Environmental Impact Statement completed and a Record of Decision by the Secretary at the end of 1991. There has been no change in that time frame. We are looking at two primary concepts, one to be at Savannah River and one to be in Idaho and a third concept, as an alternative, is use of a reactor in the State of Washington, in Senator Gorton's area.

So that is all being considered today. So we continue on that same time frame, sir.

Senator THURMOND. As I construe what you say, we do need the new production reactor. It is on schedule. You favor it, and there should be no delay in going forward with it?

Mr. CLAYTOR. Yes, sir. I think that is fair for me to say, from what I know at this time. Maybe I will learn something as I get further into the program, but as far as I know, that is the present situation.

Senator THURMOND. Thank you. My time is up, I believe.

Senator EXON. Thank you, Senator Thurmond. Senator Gorton.

Senator GORTON. Thank you, Mr. Chairman. Welcome, Mr. Claytor. Your experience and background seems to me to qualify you eminently for this position. It looks as though this and its predecessors have been your entire life's career. I welcome you here before us.

I was interested, of course, in your answer to Senator Thurmond's question as to progress on these studies. I couple that with one of the written answers that you have submitted to us. I think it was question 15, in which you say: "We need a complex that is consistent with the realities of the emerging international security environment and flexible enough to accommodate the likely range of deterrent contingencies."

That, I take it, reflects at least in part the rather dramatically different situation between the United States and the Soviet Union than the situation we faced when this course of action began. Is that a proper understanding of what you mean by "flexible"?

Mr. CLAYTOR. Well, we cannot predict, of course, maybe what will even happen in the Soviet Union, and we cannot predict what may happen in Third World countries. In my judgment—and this is the Secretary's position and I certainly agree with it—we have to size the complex in a way that allows us the flexibility to move in various directions so that we do not become constrained.

Senator GORTON. In other words, you have to have a sufficient capacity to meet a situation if it were not as favorable as we hope it would be in the world, in which there was a rather substantial need.

Mr. CLAYTOR. I think that is accurate.

Senator GORTON. But, at the same time, you have to recognize the fact that if we are fortunate the need may be much smaller.

Mr. CLAYTOR. One of the options he has indicated we will look at is to have a smaller complex, if that is doable. We want it to be cost-effective and so it may be more diverse, smaller. It is certainly one of the options we will examine.

Senator GORTON. But I believe you said in answer to one of the other questions that as long as we have a nuclear deterrent we are going to need to have an immediate production capacity for tritium.

Mr. CLAYTOR. Yes, sir. From my knowledge of the needs of the weapons program, we need to have a way of producing tritium because, of course, tritium decays over time.

Senator GORTON. In use of the term "flexible," is that term flexible enough so that you are considering or will consider the dual-capable option—that is to say the option of a reactor which can produce both tritium and power, either exclusively or at the same time? Within the context of "flexibility," is that one of the elements within this consideration?

Mr. CLAYTOR. Senator, I guess I will be presumptuous and suggest that you are referring to the possibility of the reactor in the State of Washington.

Senator GORTON. The Idaho reactor as well.

Mr. CLAYTOR. Let me say that there are three concepts that are still under consideration—the heavy water reactor, the high temperature gas-cooled reactor, and a light water reactor. So they are all in the program, and this is advice I have had from those who are running the program.

Defense Programs, as you know, does not run this program but has a deep interest in it. Dr. Monetta has told me they are all three in the environmental impact assessment and will be in the Environmental Impact Statement. So, a full decision will not be made until the end of next year, as I understand it, sir.

Senator GORTON. On another subject, what is the Department's position on the seismic concern for the Savannah River project site and the ability of the Department and its contractor to certify the safety of those reactors for startup and operation?

Mr. CLAYTOR. I am not aware, Senator Gorton, in detail on that. I know that seismic considerations were one of the factors under consideration in examining the startup of the K and the other reactors at Savannah River. All I can say is that my understanding is the Department is proceeding to make absolutely certain that we have taken all those necessary steps from a safety standpoint to assure these reactors can be operated safely. I know seismic considerations are part of that.

I do not have any more detail on that, but we will look at that. As I indicated earlier to the Chairman and others, I will immediately get involved in the Savannah River and Rocky Flats situations because these are the two critical items that are on the table at the moment.

Senator GORTON. Well, is it premature for me to ask you, then, whether or not the Department is convinced that both restart and full-power operation of the three Savannah River reactors can be achieved?

Mr. CLAYTOR. I cannot answer that precisely. The plan has been to operate three reactors. I think they are the K, P, and L. That is the plan. I do not have any further detail on that. There is a schedule the Secretary laid out for that, which he published, I think in June or May. I have no further information, sir, on that at this time.

Senator GORTON. I have one follow-up question to that, and it may be that you cannot answer this question without a closed hearing. If so, you can tell me so and get the answer to me in another fashion.

To meet the flexible goals which you have described, is it necessary to have all three Savannah River reactors in operation and, if so, at what power level?

Mr. CLAYTOR. Sir, my understanding is that the current plan is to have all three reactors in operation. That has been the published plan, and I think it is at a reduced power because they are old reactors. I think that is correct. I believe I have accurate information.

As to whether that should be changed, I have no comment on that, sir, at this time. I am not withholding information. I really do not know. If you want to address that question to me when and if I am confirmed, I will be glad to deal with it and be sure we have a response to the question.

Senator GORTON. I hope we can say "when", Mr. Claytor, but that is modest of you. Thank you, Mr. Chairman.

Senator EXON. Senator Gorton, thank you very much. Senator Levin.

Senator LEVIN. Thank you, Mr. Chairman. Let me add my welcome to Mr. Claytor.

You have been asked a bit about this question before, but I want to get a few more details on the tritium issue, the need for additional tritium and, if so, in what amount.

In testimony before the Strategic Forces and Nuclear Deterrence Subcommittee this spring, Admiral Watkins stated that the DOE has a stated requirement for tritium that does not take into account yet that tritium may be recovered from warheads that are being retired or may be retired through the arms control process. Do our proposed tritium requirements yet reflect the fact that tritium may be recovered as a result of the arms control goal of reducing warheads, by 30 percent, I believe?

Mr. CLAYTOR. Senator Levin, I do not know the answer to that question. I do know that weapon returns are a source, as I am sure we all understand, of tritium, and there have been and are weapon returns. But I do not have the information at this time to answer the question.

Senator LEVIN. Well, would you agree that if in fact the projected need for tritium has not reflected any reduction in warheads, both strategic plus the short-range weapons in Europe, that it should be so revised downward in the event those agreements are at hand or agreed to?

Mr. CLAYTOR. Senator Levin, that is very complex issue, and I do not mean to be nonresponsive. But, as I indicated earlier, I have been involved with the defense programs just in a learning fashion in the last few weeks, and I believe that I would need to examine that in real detail to make an intelligent answer. So I would prefer to pass on that. I do not think I can answer it.

Senator LEVIN. Okay. What you are unable to answer today is the question of whether we should revise the need downward. So let me ask a slightly different question.

If we did revise the need downward, how would that affect the proposal to construct two production reactors?

Mr. CLAYTOR. Well, obviously that is a major decision that we would have to look at within the Department. I would add this point, that there is the Secretary's desire—and I think he has expressed this a number of times—to have flexibility and perhaps some redundancy in our complex so that if one particular facility goes down we are not left without a source.

So my understanding, sir—and this is simply my understanding and I may not have all the facts—is that is a major reason for having the duality concept of having more than one new production reactor.

Senator LEVIN. It has been justified, though, principally, since tritium I think has a life of 10 years or so.

Mr. CLAYTOR. It has a half-life of about 10 years, yes, sir.

Senator LEVIN. It has been justified principally in terms of the need quantitatively for tritium rather than the need of a backup, since if for some reason the reactor did not work you have at least 10 years to come up with a new one and still have all your tritium that is on board in your weapons and that is still working.

The justification principally has been the quantitative one.

Mr. CLAYTOR. I would not quarrel with that, sir. Again, I would qualify my answer in that I am quite new to the issue. I know this issue is very important, and I must get into it in some depth. I want to be very careful about not speculating on it.

Senator LEVIN. Do you know—it sounds like Roe versus Wade up here, does it not? [Laughter.]

I was just writing my statement on Souter, so I was thinking your answers sort of reminds me of soon-to-be Justice Souter's answer to the Judiciary Committee about not prejudging Roe versus Wade. You are not going to prejudge the tritium issue. [Laughter.]

Senator GORTON. This is not a lifetime appointment.

Senator LEVIN. What is the half-lifetime appointment?

One last question on tritium. Do you know whether the DOE has any plans to conduct a flyoff between the NPR designs in an attempt to find the best technology?

Mr. CLAYTOR. I am not sure I understood your question.

Senator LEVIN. There is a proposal, as I understand it, to produce a new heavy water reactor at Savannah River and a new modular high temperature gas-cooled reactor in Idaho for the purpose of producing tritium in the future. There are merits and demerits to each of those proposals.

I am wondering whether or not there is going to be some kind of flyoff, as we would call it, as a way of determining which of those two is the better approach. Will DOE be doing that?

Mr. CLAYTOR. I do not know the answer to that precisely. I know that these concepts are both proceeding. When the Secretary makes his Record of Decision—which is now planned for the end of next year—he will be evaluating the entire situation as to what we should do. But we are carrying both concepts. I do not know that we will pick one over the other. I do not know that.

Senator LEVIN. Thank you. Good luck to you.

Mr. CLAYTOR. Thank you very much, Senator Levin.

Senator EXON. Thank you, Senator Levin.

As a follow-up question on that, for clarification, it is the administration's current plan to pursue the dual course of a heavy water reactor and the gas-cooled reactor—the heavy water reactor in Savannah and the gas-cooled reactor in Idaho.

The question from Senator Levin is a good one. I do not think you can answer this entirely now, but there have been some thoughts in this committee that, given the fact that we can reclaim some of the tritium if negotiations with the Soviet Union are successful, and the budget constraints that we have now, should we be proceeding on a dual track?

I think the thrust of Senator Levin's question, which has been mine for some time, was while a case could be made—and partially I buy on to the concept—that we should not have just one facility for the production of tritium, because we do not know at this time what our demands for tritium are going to be and how much can be reclaimed and so forth, I think at least that we should have more information presented to the committee as to whether or not we should proceed full scale on the dual track or whether we should prioritize one system over the other.

Is that not the thrust of your question, Senator Levin?

Senator LEVIN. Indeed.

Senator EXON. I think we are going to continue to ask that question, and we would like to have you give that some study.

Mr. CLAYTOR. Yes, Senator, I will.

Senator EXON. One other question that I have that I am not sure you can give us a definitive statement on today is what are the costs going to be for all of these programs—for the new production facilities that we obviously have to have or redoing the facilities that we currently have? That is one side of the cost equation.

The other is what about cleanup as opposed to production—the cleanup that we have obviously not addressed adequately over the years and are just beginning to address right now? We have heard all kinds of estimates—somewhere between $50 billion and $150 billion, or maybe as high as $200 billion.

I would ask you whether or not you have any concept as to what the total costs would be and how they would be split between new facilities and the cleanup facilities. I suspect that you are not prepared to answer that at this time. If you could enlighten us any, I would appreciate it.

Mr. CLAYTOR. I really cannot give you any precise answers. It is obvious that, in both the environmental restoration/waste management area and in the defense programs complex modernization or reconfiguration, as the Secretary calls it, we have to prioritize. We have a system of priorities.

Mr. Duffy, in his environmental organization, has established priorities for funding, and in his Five-Year Plan there are a large number of dollars that are talked about over a 30-year period, I believe, of things to do. He has validated costs of some of these, and others are unvalidated and they have to be examined. And there is also a system of priorities.

So I cannot give you a number, but the attempt is to recognize that we have to take first things first. Similarly, in defense programs, as we find things that have to be done, and where the tiger teams are a very important part of that —they relate to the environment and other matters in these facilities—we have set up a system of priorities to propose funding for those things that are needed first, with the idea of health and safety of the public and the workers and the protection of the environment as the very, very important things.

There are, you know, some Department of Energy orders and things of that nature that do not directly affect the health and safety of the public, and they have not had perhaps as high a priority as those that affect health and safety.

So we are trying to approach the thing in that way, sir. I know that they are big numbers. I cannot quantify it for you at this time.

Senator EXON. Thank you, Mr. Claytor. That is something that we are continually asking about and, once again, when you do not have anything else to do when you are confirmed to this position, please look into these matters.

I would like to go now to how you intend to use some boards that have been created under the leadership of this committee. I introduced legislation that brought about the establishment of the Defense Nuclear Facilities Safety Board. We were extremely pleased with the nominees that were sent up by the President. They are outstanding individuals.

I would like to ask you how do you plan to utilize the Advisory Committee on Nuclear Facilities Safety and the Defense Nuclear Facilities Safety Board in restarting the Savannah River reactors and resuming operations at Rocky Flats.

Mr. CLAYTOR. All right, sir. Let me address that.

The Advisory Committee on Nuclear Facility Safety (ACNFS), as I understand it, was established by the previous Secretary of Energy as an advisory board to him, and they make recommendations. The Defense Nuclear Facilities Safety Board (DNFSB) is established by law by the Congress and has a much more rigorous administrative process in handling the recommendations and so on.

Both of these have been used. The recommendations of both of these groups have been used and examined by the Secretary and the Office of Defense Programs for both Savannah River and Rocky Flats. With respect to Savannah River, my understanding is that the Advisory Committee has passed the baton, so to speak, to the Defense Board and has made its recommendations and they are being considered and dealt with, but it does not plan to pursue that further because they feel that there is some redundancy. I think there are maybe one or two issues by the Advisory Committee at Savannah River that are still being dealt with.

Both groups are involved at Rocky Flats, and I know of no plans at the moment for either—well, of course the Defense Board cannot, but the Advisory Committee—to phase out there.

To answer the specific question of how will we deal with that, the Secretary has made it clear that he will treat these recommendations most seriously. We do know of the expertise of both groups and will make use of their recommendations and respond to them. A consideration in the resumption of operations, a major consideration, will be the position the groups take on various issues and what they have recommended for us to do.

I happen to know several of the people in both groups. I do know Jack Crawford very well and have long experience with him. I met with Mr. Conway and the Board. I want to assure the committee that I will pledge full cooperation with both groups and that we will listen very carefully to their recommendations.

Senator EXON. Mr. Claytor, I just have one last question today. There are some additional questions that will be submitted for the record that we would appreciate your responding to as promptly as you can, including four or five questions that my colleague, Senator Thurmond, left.

This is a rather broad-based question but I think it is an important one. Implementing a strong safety policy at all levels in the Department and with the contractors is a key factor in reestablishing public confidence in what we are doing here. You have alluded to this and I think you recognize that along with establishing better morale and getting facilities back up to speed we also have the responsibility to rebuild the confidence of the public at large, in not only the Department but in the contractors operating those facilities.

Can you give us some general outline of how you would go about accomplishing these goals, which I assume are a part of your plan?

Mr. CLAYTOR. Yes, sir. I think it is absolutely essential that we continue to follow up. The Secretary has established many initiatives here. I think your question is how do we make sure we inculcate the safety mentality and philosophy and policy and culture throughout our entire organization. I think that is your question, is it not, sir?

We have taken a number of actions which I will intend to supplement and build on. I think the very dramatic and specific are the tiger teams that have been to practically all the defense facilities—there are still a couple left—to follow up and make sure that there is good response and that there really are actions taken and not just words.

A second area of concern is training of people, and the Secretary has established, under Mr. Starostecki, a new office within the Department of Energy to handle the training of Department of Energy people.

One of the things in my experience with Admiral Rickover that was always very important is that we watched our contractors very carefully and we were in their operations and involved in it. We did not do their work for them, but we watched them. We were technically knowledgeable at our shipyards and at our laboratories and our vendors and so on to make sure things were done right. The Department of Energy has not placed sufficient emphasis on that in the past, and that program is just beginning. It is not where it needs to be.

But I strongly support that, and I will work very hard to see that we get these folks trained and in the plants—not sitting behind their desks, but out in the plants and in the facilities. That is extremely important. I think that jacks the contractor up. He gets the message because he knows he is being watched.

The other point I would want to make is that my practice has never been to be shy about making contact with the top management of our contractors and letting them know when we have problems. I learned that from my old boss, Admiral Rickover, and I clearly intend to do that. If things are not going well, they are going to hear about it and they are going to be expected to be accountable to us for it.

So those are some of the kinds of things that are important that I will stress.

Senator EXON. Mr. Claytor, thank you very much. I just want to say, as I told you earlier in our conversations before the hearing, that I am very pleased with this nomination. I see no opposition at all. I think that we can speedily move this forward and get you fully confirmed at the earliest possible date. Thank you for being here this morning.

We are adjourned.

[Whereupon, at 11:17 a.m., the hearing adjourned.]

[Prepared questions submitted to Richard A. Claytor by Senator Nunn prior to the hearing with answers supplied follow:]

DEPARTMENT OF ENERGY,
Washington, DC, September 26, 1990.

Hon. SAM NUNN,
Chairman, Committee on Armed Services,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN:

In response to your letter dated September 8, 1990, I am enclosing my answers to the important policy issues you have raised. While I have not had the opportunity to study in great detail all of the issues affecting the Department of Energy's Office of Defense Programs, I have attempted to provide answers which reflect my current understanding of these areas and my perceptions of where Defense Programs needs to go in the future to fulfill the new policies of the Department under the stewardship of Admiral Watkins.

I am honored to have been chosen by President Bush as his nominee for this vital and challenging position. If confirmed, I will work closely with you and the members of your committee in furtherance of our mutual objectives for the country's nuclear deterrent.

I look forward to the opportunity to discuss further my views on these and other major policy issues when I testify before your committee.

Sincerely,

RICHARD A. CLAYTOR,
Nominee for Assistant Secretary
of Energy for Defense Programs.

Enclosure.

QUESTIONS FROM THE COMMITTEE ON ARMED SERVICES

Question 1: **In your view, what are the responsibilities, goals, and obligations of the operating organization under the Assistant Secretary for Defense Programs?**

Answer: Attached is the Executive Level Position Statement which formally describes the responsibilities, goals and obligations of the Assistant Secretary for Defense Programs.

Beyond this formal statement, I believe there are some important objectives of the Assistant Secretary for Defense Programs which deserve special emphasis. He must:

1. Set the example by making an unqualified commitment to excellence both for himself and for his associates in the Department of Energy's Defense Programs and its contractors.

2. Promote the importance of personal responsibility and accountability throughout the organization.

3. Provide needed leadership and rebuild morale.

4. Improve technical capabilities at all levels within the Office of Defense Programs.

5. And, finally, adopt a goal that the Office of Defense Programs will demonstrate by its performance that it deserves the full respect of the American public.

Executive Level Position Statement

Position Title: Assistant Secretary for Defense Programs

Grade: EL-IV - Presidential Appointee

The Assistant Secretary is the principal advisor to the Secretary on national security matters and the manager of programs as follows:

Plans for and oversees the utilization of weapons complex capabilities and resources; and assures that the capabilities, performance, and activities of the weapons complex meet the needs of the weapons program in an effective and efficient manner.

Reviews jointly with the appropriate DOE sponsors the nature, scope, and future requirements of projected non-defense related work.

Reports to the Secretary any occurring or threatened adverse impact on the weapons program and the weapons complex by ongoing or scheduled non-defense work; and provides annually a specific determination of whether the long-range projections indicate any adverse impact by non-defense work on the weapons program.

Plans in conjunction with Energy Research and carries out the DOE program to conduct research in, develop, and demonstrate the capability of inertial confinement fusion to meet national security and energy development goals.

Carries out DOE responsibilities for international security affairs which include National Security Council actions, nonproliferation controls, export controls, arms control, national security reviews, treaty verification, and related control technology elements of the weapons program.

Executes the DOE classification program, developing criteria for the classification and declassification of Restricted Data, Formerly Restricted Data, and National Security Information; approving declassification of the Restricted Data and Formerly Restricted Data; and representing the Secretary on the Interagency Classification Review Board.

Plans for and oversees the implementation of safeguards and security measures at all facilities under his/her cognizance. Additionally, carries out oversight responsibilities for safeguards and security activities at all DOE facilities.

Manages the DOE nuclear materials program, including planning and operation of facilities to prepare fuels for production reactors, chemical reprocessing plants, and supporting facilities.

Appendix A

Question 2: **a. How can a safety philosophy be meaningfully defined and implemented for the Department of Energy's defense facilities?**

b. What concrete steps would you take to develop and implement a safety policy for the Department of Energy's defense facilities?

Answer: The primary mission of the Office of Defense Programs in the Department of Energy is to preserve the nuclear deterrent for the United States by carrying out the research, development, testing, production and surveillance of nuclear weapons.

Over the past several years, serious concerns have arisen regarding the Department's ability to carry out this mission. These concerns relate not only to the protection of health, safety and the environment in the operation of our facilities, but also to the safety and reliability of the weapons themselves.

I believe a safety philosophy can be meaningfully defined and implemented for the Department's defense facilities by restating the mission to all of our Defense Programs employees in the light of safety lessons learned in recent years, as follows:

> The primary mission of the Office of Defense Programs in the Department of Energy is to preserve the nuclear deterrent for the United States by carrying out research, development, testing, production and surveillance of safe and reliable nuclear weapons in a manner that will protect the health and safety of the

public and workers and preserve the environment.

To implement a safety policy for the Department's defense facilities, if confirmed, I will take several steps, including the following:

1. Emphasize on a continuing basis the safety philosophy identified above to all of our employees and our contractors and make this statement of philosophy a basic tenet underlying all my activities and decisions.

2. Follow up to determine the adequacy of corrective actions arising out of the Tiger Team health, safety and environmental evaluations and conduct such additional evaluations as necessary.

3. Ensure the adequacy of standards and procedures for performance of production and inspection of our nuclear weapons work at our defense facilities. Emphasize adherence to conduct of operations and other standards derived from the commercial nuclear industry.

4. Continue the development of training programs for DOE and contractor personnel with emphasis on day-to-day monitoring of facility operations.

Question 3: a. How will you ensure that the operational safety practices and procedures for the Department of Energy defense facilities meet or exceed those of commercial facilities?

b. How would you quantify these standards?

c. How would you assure Congress that such standards are being met?

Answer: The Secretary has established a task force to rewrite the Department's nuclear safety orders, including those orders dealing with operational safety practices and procedures. These will take the form of enforceable rules which will be issued for public notice and comment. Currently, several proposed rules have been written and are undergoing review within the Department. The task force, on which I briefly served in my capacity as Principal Deputy Assistant Secretary for Nuclear Energy, has as part of its mission to incorporate within these rules applicable nuclear safety principles and practices used in the commercial nuclear industry. The Department plans to issue the nuclear safety rules as interim Departmental Orders until they become final under the notice and comment rulemaking process.

This is by no means an easy undertaking and will take some time to put in place. Meanwhile, recognizing the need to have near-term improved written requirements for operational safety, the Department has issued a number of new or revised Orders including: Conduct of Operations, Conduct of Maintenance, Occurrence Reporting and Training. Many of these requirements incorporate practices used in the civilian nuclear power program. For example, the Order on Conduct of Operations incorporates proven operational safety practices developed by the commercial nuclear industry.

Formal reviews for compliance with existing Department Orders have been undertaken at both Savannah River and Rocky Flats. Where these reviews have identified instances where Order requirements cannot be practicably met, such instances are then dealt with on a case basis by responsible headquarters management.

If confirmed, I will pay particular attention to operating standards in view of their importance to safe operation of our facilities; specifically:

1. I will work closely with the task force developing the nuclear safety rules with the goal of having these in effect at our defense facilities at the earliest practicable date.

2. National and international nuclear standards provide much of the technical direction necessary to achieve nuclear safety. I will insist that these standards, which have been proven by experience and testing, and have been recognized by accrediting institutions, be used whenever applicable.

3. I will extend the formal compliance review of Department Orders to our other defense facilities.

4. To assure both existing and future operating standards are being met, I will insist on an effective audit program by both our contractors and responsible Department line management.

Question 4: **What are the three most important steps that you believe should be taken today to foster the right safety culture within the Department of Energy, and will such steps give you confidence in the continued operation of the Savannah River reactors, the Rocky Flats plant and other key Department of Energy defense facilities?**

Answer: At his hearing for confirmation as Secretary of Energy, Admiral Watkins stressed as a central theme the need for a fundamental change in the safety culture in the operation of the Department's defense facilities. He pointed out that years of heavy emphasis within the Office of Defense Programs to achieve production goals had backlogged problems relating to safety, health and the environment to unacceptable levels. He emphasized strongly that this fundamental cultural change required a new brand of informed and inspirational leadership beginning with him and permeating down through every level of management within the Department of Energy, including its field offices and contractors.

In the more than eighteen months that have elapsed since the Secretary's confirmation, it is clear to me that fundamental changes are taking place in the safety culture at our defense facilities as the result of his leadership and that of his new management team. I have visited a number of the Department's defense facilities. The message has been received. Key people I met seem to understand what is expected of them with regard to safe operation of our facilities and protection of the environment. I believe they are earnestly trying to do the right thing. But changes do not come easily after so many years where the emphasis on meeting production goals was the overriding consideration in our nuclear weapons work. Thus, there is much more to do to foster the right safety culture within the Department and its contractor organizations.

If I am confirmed as Assistant Secretary for Defense Programs, I will build on the initiatives already begun by Admiral Watkins and his management team in the Office of Defense Programs. Specifically:

1. I will act to assure that we have in place strong, technically competent contractors who run our defense facilities. To help reach this objective, I will insist that the award fee process be effectively implemented and that less than satisfactory performance not be rewarded. I will also ensure that Tiger Team findings and resulting action plans are used to upgrade contractor performance. I will stay in close contact with top management of these contractors and bring to their personal attention significant unsatisfactory conditions in their operations. These and other management practices I learned in over seventeen years working directly for Admiral Hyman Rickover will be used to engender excellent performance by our contractors and foster the right safety culture.

2. I will act to ensure we continue our efforts, already underway, to have in place a strong, technically competent line management

organization within the Office of Defense Programs proceeding from the headquarters staff directly to field organizations having oversight and contract responsibility for the contractors who operate our defense facilities. I will strongly emphasize (1) the need for technical training of our people, (2) the need for our trained people to feel a sense of ownership of the facilities which they oversee, and (3) requirements that these people spend time in the facilities observing and monitoring contractor operations.

3. Although I want to have a line organization within the Department that finds and reports deficiencies and does not have to rely on internal and external oversight groups to do this for them, I, nonetheless, will act to strengthen the nuclear self-assessment function which the Secretary established within the Office of Defense Programs. The safety of our nuclear weapons work is so important that we must have a strong, technically competent self-assessment operation.

I believe effective implementation of these steps will provide the necessary line and oversight functions to provide me with confidence in the continued safe and environmentally acceptable operation of all of the Department's defense facilities.

Question 5: **What are your plans for establishing and maintaining a good working relationship between the Office of Nuclear Safety and the operating organization under the Assistant Secretary for Defense Programs?**

Answer: In my current position as Principal Deputy Assistant Secretary for Nuclear Energy, I have already established a good working relationship with the Director of the Office of Nuclear Safety. If confirmed as Assistant Secretary for Defense Programs, I fully intend to maintain this good working relationship and to cooperate fully with this office to help it carry out its oversight responsibilities for nuclear safety at defense facilities.

Notwithstanding this, again I wish to emphasize that it is my job to have our line organization within Defense Programs find and fix nuclear safety deficiencies and not rely on the Office of Nuclear Safety to do this for us.

Question 6: **How will you address the lack of adequate safety and operating procedures identified by both the Advisory Committee on Nuclear Facility Safety and the Defense Nuclear Facilities Safety Board?**

Answer: I believe the procedures issue addressed by the ACNFS and DNFSB relate primarily to the restart of the Savannah River reactors and resumption of Rocky Flats operations, but, of course, the importance of adequate safety and operating procedures applies across the board throughout the nuclear weapons complex.

At both Savannah River and Rocky Flats, intensive activities are underway by the Department and its contractors to assure we have in place adequate safety and operating procedures that will assure we are meeting technical specifications and operating safety requirements so that these facilities can be operated within a safe operating envelope. Included in this effort are the Department Order compliance reviews identified in my reply to Question 3.

If confirmed, I will personally review and take an active role in the Savannah River reactor restart and Rocky Flats plutonium operations resumption activities to satisfy myself that the Department and its contractors are taking those steps necessary to assure that adequate safety and operating procedures are in place and adhered to. I will also review the ongoing activities related to the adequacy of procedures at other facilities in the weapons complex.

Question 7a:	In your view, what is the proper relationship between the Department of Energy's internal safety oversight organization that reports to the Assistant Secretary for Environment, Safety and Health and to the Assistant Secretary for Nuclear Energy, and the operating organization under the Assistant Secretary for Defense Programs?
Answer:	First of all, it will be my job, if confirmed as Assistant Secretary for Defense Programs, to see to it that our nuclear weapons research, development, testing and production is carried out in a manner that will protect the health and safety of the public and preserve the environment. This is my line responsibility, as Admiral Watkins has made abundantly clear, and my objective will be that our line Defense Programs organization will find and correct environmental, health and safety deficiencies in our operations and not rely

on oversight groups to do this for them.

However, in view of both the vital importance of doing this work safely and in an environmentally acceptable manner, and our experience where production objectives have often overridden safety considerations, I fully understand why oversight groups have been established. I will cooperate fully with these groups and pledge to help them carry out their oversight responsibilities for defense work.

The two oversight groups within the Department are the Office of Environment, Safety and Health, which is responsible for overseeing non-nuclear safety and environmental matters, and the Office of Nuclear Safety, which is responsible for overseeing nuclear safety at our nuclear defense facilities.

The role of the Office of Nuclear Energy with respect to our weapons work is different from that of the oversight groups. This office is responsible for developing and coordinating Departmental policy for nuclear reactors and non-reactor nuclear facility safety. Since the Office of Defense Programs has responsibility for both nuclear reactors and many other nuclear facilities, I will assure that Defense Programs will work closely with Nuclear Energy in assisting the latter in the development of this policy.

Question 7b: **What is the proper relationship between the external safety oversight organization, the Defense Nuclear Facilities Safety Board, and the** operating organization under the Assistant Secretary for Defense Programs?

Answer: Again, I want to stress that Defense Programs must be able to identify and correct safety deficiencies by itself and not rely on internal or external oversight groups to do this for us.

Nonetheless, I recognize that the Defense Nuclear Facilities Safety Board has been established by law as an independent group within the executive branch with the responsibility to review all aspects of nuclear safety matters at the Department's defense nuclear facilities. This responsibility includes review of standards, design and operational data and facility design and construction.

I will fully cooperate with the Board and ensure that the Board has full access to such facilities, personnel and information as the Board considers necessary to carry out its responsibilities.

Question 8: What are the three most important steps you believe the Department of Energy should initiate today to address the problem of environmental contamination at Department of Energy facilities?

Answer: At his hearing for confirmation as Secretary of Energy, Admiral Watkins not only stressed the vital importance of injecting a new safety and environmental culture into the Department's Defense Programs but also strongly emphasized that wastes at the Department's facilities be handled, processed, stored and disposed of in compliance with safety and environmental standards and in full partnership with federal, state and responsible local authorities.

The Secretary accordingly directed that a Five-Year Plan be developed for environmental restoration and waste management and established the Office of Environmental Restoration and Waste Management under Mr. Leo Duffy. This office is responsible for consolidating environmental cleanup, compliance and waste management activities identified in the Five-Year Plan.

The Five-Year Plan includes priorities for addressing the problem of environmental contamination. I have reviewed this plan and fully support its goals and commitments. There are, however, several goals and commitments where the Defense Programs, as the responsible Department line organization for operating defense facilities, has a responsibility. If confirmed, I intend to assure that such goals and commitments are met, including the following of particular importance:

1. Compliance with laws and regulations aimed at protecting public health and the environment.

2. Continual examination of environmental regulations to ensure that DOE's compliance actions effectively reduce risk to human health and the environment.

3. Implementation of programs to minimize current waste generation and future waste disposal requirements.

Question 9: **What steps will you take to ensure that protection of the environment is a key component of production operations and that this concept is instilled at all levels of DOE and its contractors?**

Answer: In my response to Question 4, I addressed the importance of environmental protection as well as safety. From the very beginning of his assumption of duties, the Secretary has made it vividly clear that protecting the environment is a key component of production operations.

As I further noted in my response to Question 4, I believe that this concept is well understood by DOE and its contractors. At the defense sites I have visited, actions to deal with environmental issues -- past, present and future -- are at the top of the DOE and contractor agenda.

One of the principal initiatives which the Secretary has undertaken is the Tiger Team evaluation process to examine health, safety and environmental performance at the Department's defense and other facilities. To date, evaluations of nearly all of the defense sites have been completed.

If confirmed, I will continue to see that environmental protection remains a key component of production operations. Among the specific actions I will take are:

1. Follow up on the Tiger Team action plans to assure effective implementation of recommended environmental protection actions.

2. Require compliance at our facilities with the letter and spirit of environmental laws and regulations.

3. Emphasize waste minimization in our production operations; this is a key effort in reducing potential damage to the environment. (This issue is discussed more fully in my response to Question 12.)

4. Assure that production procedures and standards which, if implemented, will serve to protect the environment.

5. Ensure, through an effective DOE in-facility monitoring program, adherence to these procedures governing our production operations.

6. Work in close concert with the Director of the Office of Environmental Restoration and Waste Management and the Assistant Secretary for Environment, Safety and Health to continue the emphasis throughout the Defense Programs complex on the need to protect the environment.

Question 10: What can you do to carry out adequate and efficient oversight of DOE operating contractors that will ensure safe and environmentally sound operations and at the same time maintain a productive, non-adversarial, relationship with the contractors?

Answer: In my response to Question 4, I noted that, if confirmed, I would assure that we have strong technically competent operating contractors and that I would take a number of actions to ensure safe and environmentally sound operations. These include:

1. Effective implementation of the award fee process.

2. Ensuring Tiger Team findings and resulting action plans are used to upgrade contractor performance.

3. Communicating unsatisfactory conditions to contractor top management.

4. Close surveillance of contractor operations by technically trained DOE personnel.

5. Strengthening the contractor oversight group in Defense Programs.

I see no reason why we cannot carry out the oversight measures which I have described and still at the same time maintain a productive, non-adversarial relationship with the operating contractors. The important thing is for the contractors to know what is expected of them and to recognize that we intend to hold them to their contracts in a fair and equitable manner. During my tenure as a senior manager in Admiral Rickover's organization for nearly 20 years, I dealt with operating contractors who were held to at least as high a standard as DOE currently expects of our operating contractors, and we achieved a very positive and productive relationship.

Question 11:	a.	**What is your understanding of the organizational changes and transfers of responsibility that have occurred to consolidate the DOE waste management function?**
	b.	**What do you understand these changes to be relative to the responsibilities of your office and those of the Office of Environmental Restoration and Waste Management?**
	c.	**What are your plans for establishing and maintaining a good working relationship between the operating organization under the Assistant Secretary for Defense Programs and the Office of Environmental Restoration and Waste Management?**
Answer:		As I noted in my response to Question 8, the Secretary established the Office of Environmental Restoration and Waste Management under Mr. Leo Duffy with responsibility for consolidating environmental cleanup, compliance and waste management activities identified in a Five-Year Plan developed by that office.

When programs are transferred from Defense Programs (DP) to Environmental Restoration and Waste Management (EM), a formal written transfer document is prepared which identifies any remaining actions which remain the responsibility of DP following the transfer. In addition, if I confirmed, I will ensure that DP will provide technical support to EM as required to assist in problem resolution following the transfer.
The Office of Defense Programs has responsibility for controlling those sites where production operations are taking place. These operations over the years have created both waste and

environmental problems of varying degrees at the different sites.

It is essential that DP work closely with EM to help clean up the problems of the past and avoid such problems in the future. Also, Defense Programs must take appropriate actions to resolve open issues, such as waste characterization and plans for handling and storage of excess special nuclear materials, before sites no longer needed for production are turned over to EM. These and other responsibilities of both organizations are set forth in a Memorandum of Understanding between the Offices of Defense Programs and Environmental Restoration and Waste Management.

Accordingly, I will make it a matter of high priority to assure cooperation at both my level with Mr. Duffy and by Defense Programs employees with their counterparts in his organization.

Question 11d: **What is your understanding of the relationship between the Defense Programs organization and the organization under the Assistant Secretary of Energy for Environment, Safety and Health?**

Answer: In addition to the safety and environmental oversight function discussed in Question 7a, the Office of the Assistant Secretary of Environment, Safety and Health (ES&H) is responsible for a variety of ES&H issues, including:

1. Reviewing and approving National Environmental Policy Act (NEPA) documentation, conducting NEPA compliance audits and ensuring NEPA milestones are incorporated into Program planning documents.

2. Developing and coordinating DOE policy and conducting assessments to assure compliance with applicable laws related to environmental protection, radiation safety, worker safety and those aspects of public health and safety that deal with epidemiology and radiological protection.

3. Assisting and providing guidance to program line management in ensuring compliance with the nation's environmental, safety and health laws.

4. Inspecting and assessing the effectiveness of the Department's safeguards and security policies, programs and implementation in the field, and for safety certification of packages for shipment of DOE radioactive materials.

5. Conducting Tiger Team assessments to evaluate performance with ES&H requirements at DOE defense and other facilities.

The responsibilities assigned to the Assistant Secretary for Environment, Safety and Health play a significant role in the operation of our defense facilities. In order to ensure that our defense facilities fully comply with ES&H laws and requirements, the Office of Defense Programs must have a good working relationship with the Office of Environment, Safety and Health.

Again, this is another important internal

Department interface for Defense Programs. If confirmed, I will work closely with Dr. Paul Ziemer, the recently appointed Assistant Secretary for ES&H, to assure close coordination between our two organizations in all of the activities described above.

Question 12: **What are your plans to reduce the amount of hazardous and nuclear waste generated by the Department of Energy defense facilities in their production operations, and how can you work with the Office of Environmental Restoration and Waste Management to carry out these plans?**

Answer: **As I indicated in my response to Question 8a, one of the goals of the Environmental Restoration and Waste Management Five-Year Plan, which I strongly support, is to implement programs to minimize current waste generation and future waste disposal requirements.**

The Office of Defense Programs and the Office of Environmental Restoration and Waste Management (EM) have signed a Memorandum of Understanding to work together to effect waste minimization at our defense facilities. The Office of Technology Development within the EM organization has the lead in developing methods for reducing the generation of hazardous and nuclear wastes at the Department's facilities. Targets have also been established at defense facilities for waste reduction. In addition, the Nuclear Weapons Complex Reconfiguration Study being conducted by Defense Programs has waste minimization as one of its major goals.

I will be fully supportive of these efforts and will see to it that methods and techniques developed by EM for waste minimization are incorporated where appropriate into our production operations.

Question 13: **What, in your view, is the proper relationship between production operations at the Department of Energy defense facilities, safety of operations, and environmental requirements?**

Answer: We must carry out our production operations at the Department's defense facilities in a manner that will protect the health and safety of the public and our workers and preserve the environment. In recognition of this Departmental priority, at least 51 percent of the award fee pool for defense production contracts is now associated with environment, safety and health (ES&H) issues.

Concomitantly, we cannot return to the past where rigid adherence to production goals led to the subordination of concerns for health, safety and the environment. If confirmed as Assistant Secretary for Defense Programs, I pledge to do my best to not let this happen.

Question 14:

a. **Do you believe conflicts exist between compliance with environmental laws and regulations and continued operation of Department of Energy defense facilities?**

b. **If so, what approach would you take to resolve such conflicts? What are the biggest obstacles to overcome, in your opinion, to achieve both compliance and production?**

Answer: It is the policy of the Department that full compliance with the letter and spirit of environmental laws, regulations, and requirements is an integral part of operating the Department's facilities.

However, it is clear that these environmental laws and regulations did not contemplate the unique features of nuclear weapons production and that in some instances there are no currently available technologies for treating these production wastes. Accordingly, it has been necessary to meet with the Environmental Protection Agency (EPA) and the states and develop agreements to bring these facilities into compliance within specified timetables. In some cases, this has resulted in tri-party agreements among the Department, a state and the EPA.

This subject is too complex for me to comment upon further at this time, but I do recognize its importance to both meeting our policy for full compliance and resumption of production at our defense facility sites. If confirmed, I will review in depth the current situation with respect to environmental compliance at each of our defense facilities and will take such action as necessary to assure that we are moving as rapidly as possible to resolve any existing or potential non-compliance issues.

Question 15: a. What, in your opinion, is the single most important modernization initiative for the nuclear weapons complex today?

b. What will be your role in completing the ongoing modernization study and programmatic environmental impact statement on complex modernization?

Answer: I am fully aware that Admiral Watkins, shortly after assuming duties as Secretary of Energy, concluded that the Department's previous report on modernization of the nuclear weapons complex was inadequate. Accordingly, he directed that a new and more realistic review be undertaken of the reconfiguration of the weapons complex.

Last month, in light of ongoing arms control efforts and potential changes in U.S. military strategy due to recent world events, he redirected this effort so that the complex will be able to support, safely and reliably, whatever nuclear deterrent stockpiles are set forth by the President and funded by the Congress. This redirected study is underway and is expected to be completed by year-end.

Since the study is not complete, it would be premature at this time for me to express opinions on the most important modernization initiatives for the nuclear weapons complex.

I agree, as Admiral Watkins has stated, that we need a complex that is consistent with the realities of the emerging international security environment and flexible enough to accommodate the likely range of deterrent contingencies. If confirmed, I will be intimately involved in the decision-making process for both the reconfiguration study and the environmental activities involved in its implementation.

Question 16: What, in your opinion, are the three most important funding priorities for the nuclear weapons complex?

Answer: Again, it would be premature at this time for me to provide an opinion on funding priorities for the nuclear weapons complex. I will need to study this in greater detail and fully intend to do so.

It is clear, however, that there will be budgetary constraints in the years ahead. We must find cost effective ways to carry out the primary mission of Defense Programs -- to produce safe and reliable nuclear weapons which both meet stockpile objectives and assure the safety of the public and our workers as well as protect the environment.

Recognition of the need to carry out this primary mission will be the underpinning of my decisions on funding priorities.

Question 17: What role will the Defense Nuclear Facilities Safety Board and the Advisory Committee on Nuclear Facility Safety play in resuming operations of the Savannah River reactors and the Rocky Flats facility?

Answer: As noted in my reply to Question 7b, I recognize that the DNFSB is a legally established body with responsibility to review all aspects of nuclear safety matters at the Department's defense nuclear facilities. I recognize that the ACNFS is a committee that provides the Secretary with information, advice, and recommendations concerning the safety of the Department's nuclear-related facilities.

Both groups have been active in reviewing plans for resuming operations at SRS and Rocky Flats and have made a variety of recommendations to the Secretary. The ACNFS has now essentially completed, with one or two exceptions, its review of the plans for the restart of the Savannah River production reactors.

The Secretary has made it clear, both publicly and within the Department, that the recommendations of both groups will be treated very seriously and given careful consideration in arriving at decisions on the resumption of operations at SRS and Rocky Flats. I fully support the Secretary's position.

Question 18: ROCKY FLATS AND SAVANNAH RIVER RESUMPTION

What are your plans and goals for resuming operations at Rocky Flats and the Savannah River reactors; and what role will the public play in those plans?

Answer: I recognize the importance to nuclear weapons production of resuming operations at both Rocky Flats and Savannah River. I am also aware that the Secretary has stated that operations will not resume until he is entirely satisfied that operations can be conducted safely. I fully support this position.

Currently at Rocky Flats, the contractor is in the process of developing the final details of the substantial amount of work to be done before operations can be safely resumed. Meanwhile, several public meetings and two public hearings, one by the Department and one by the DNFSB, have been held. Before resumption of operations, additional public meetings and at least one more public hearing are planned.

The schedule for the remaining work to be completed at Savannah River before reactor restart is under review by the Department. With respect to public involvement in the planning process at Savannah River, there have been a number of public meetings by the Advisory Committee on Nuclear

Facility Safety and a public hearing was held by the Defense Nuclear Facilities Safety Board. Three public hearings were also held in conjunction with the development of the Environmental Impact Statement.

If confirmed, one of my very first tasks will be to review in detail the situation at both Rocky Flats and Savannah River and the Department's plans for resumption of operations, including continued public participation in this process. Before recommending resumption of operations to the Secretary, I will satisfy myself that it is safe to resume operations and that all necessary pre-operational steps have been completed to my satisfaction.

Question 19:	In your view, what are the primary duties, goals, and responsibilities of the DOE member of the Nuclear Weapons Council?
Answer:	The Nuclear Weapons Council was established by law in 1987 to provide a senior-level, joint body to provide advice to the Secretaries of Defense and Energy and the Congress on the U.S. nuclear weapons program. Its statutory responsibilities include preparing the annual Nuclear Weapons Stockpile Memorandum, submitting it to the Secretaries of Defense and Energy for their signatures and submission to the President. Its responsibilities also include developing nuclear weapons stockpile options and associated costs; coordinating program and budgetary matters pertaining to nuclear weapons programs between DOD and DOE; considering safety, security and control issues for existing nuclear weapons and for

proposed new weapons program starts; ensuring adequate consideration is given to design, performance and cost tradeoffs for all proposed new nuclear weapons programs; and a variety of other responsibilities related to the U.S. nuclear weapons program.

The DOE member shares these responsibilities with the other two members, one each from the Office of the Secretary Defense (OSD) and the Joint Chiefs of Staff. The OSD representative is by law the Chairman. While his responsibilities are not separately defined, the DOE member of course provides perspective as the representative of the agency with responsibility for nuclear weapons research, development, design, testing, production and surveillance. Moreover, with his management responsibility for the DOE weapons laboratories, he has of course direct access to nuclear weapon design bases and design features which can have significant impact on weapons safety. He would therefore be expected to provide major input to the Council's deliberations on nuclear weapons safety, including consideration of recommendations made to the Council by its Weapons Safety Committee.

Question 20:	What are your plans for assuring the continuing safety of the nuclear weapons stockpile, both with and without an increased weapons testing program?
Answer:	I recognize that the subject of nuclear weapons safety is one of the most serious issues I will face if confirmed as Assistant Secretary for Defense Programs. Nuclear weapons safety concerns

have received much attention over the past several months, and I anticipate continuing attention in the future.

I recognize that nuclear weapons safety involves trade-offs from the very early stages of weapon development up to the decision to retire a weapon; these trade-offs involve a number of issues including consideration of military characteristics other than safety, operational requirements, cost and schedule. Clearly, controversy exists over the relative weight given to these various trade-offs for some of our weapons. If confirmed, I will become immediately and personally involved in an examination of these trade-offs to arrive at appropriate recommendations to make to the Secretary.

As you know, in order to achieve increased focus on nuclear weapons safety matters in the DOD/DOE decision-making process, the Secretaries of Defense and Energy established, under the Nuclear Weapons Council, the Weapons Safety Committee, chaired by the DOE's Deputy Assistant Secretary for Military Application. This is a very important body, and it is important that it work effectively to provide advice and assistance to the Nuclear Weapons Council on matters affecting nuclear weapons safety. If confirmed, I will strongly support this objective.

Another important initiative undertaken this year was the establishment by Congress of a panel headed by Dr. Sidney Drell to evaluate nuclear weapons safety issues; the Department is cooperating with this panel as it proceeds with its evaluation.

On a broader perspective, I recognize that there are several other essential elements in assuring the continued safety of the nuclear weapons stockpile; these include:

1. Retention of the nuclear scientific competence at the Department's nuclear weapons laboratories. This is our tie to the past, as well as our resource to produce higher levels of safety for future systems.

2. Continuation of the stockpile evaluation program wherein weapons are returned for disassembly, test, inspection and evaluation.

3. Continuation of nuclear testing at the Nevada Test Site.

4. Continuation of efforts by the laboratories to improve the data base on both nuclear weapons safety and performance.

With respect to the question of assuring stockpile safety both with and without an increased weapons testing program, I am not in a position at this time to say more than that I believe testing is an important element in assuring weapons safety. If confirmed, as part of my review of overall Defense Program activities, I will investigate the need for increased testing in the context of the other activities in the Department's budget which affect stockpile safety.

In summary, if confirmed as Assistant Secretary for Defense Programs, I will give this subject immediate and personal attention with the objective of assuring the safety of our nuclear weapons stockpile consistent with our national security requirements.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR STROM THURMOND

HISTORY OF DOE RULEMAKINGS

Senator THURMOND. Mr. Claytor, are you familiar with the two rulemakings (recently combined) dealing with "accountability" and "award fee" for the contractors who operate DOE facilities? This committee held hearings in May on this issue, and we are concerned that DOE had very little dialogue with the contractors before proposing this rule. Can you tell us that DOE has been consulting with contractors now?

Mr. CLAYTOR. I have read the rulemaking and the accompanying notice.

I have been informed that top DOE officials had numerous meetings with contractors before the notice of proposed rulemaking was published in January. In August, a revised proposed rule was published, taking into account the voluminous written comments which were received. A public meeting was held on August 25 at which many contractors testified. Further written comments will be filed by October 9. I can assure you that full consideration will be given to all comments.

Senator THURMOND. The contractor community (very responsible contractors, I may add) have made lengthy comments to DOE on the proposed rulemaking. Are you familiar with their arguments? They contend, for instance, that this rule will change the relationship from that of partners to that of adversaries, and that DOE is forcing them to "bet their companies."

Mr. CLAYTOR. I have read the rulemaking and the accompanying notice.

I support the Secretary's rulemaking initiative to insure the accountability of DOE's profit making management and operating (M&O) contractors and to restructure DOE's award fee system to provide further incentives for improved performance by the contractors. The latest rulemaking revision was published for notice and comment on August 10, 1990, and combines and revises two earlier proposed rulemaking initiatives after careful consideration of the thoughts and comments of the public.

The public comment period closes on October 9. The Department will then begin considering the comments from the public which would include comments by any contractor. If confirmed, I will become involved in this matter but I cannot comment further at this time.

MORALE

Senator THURMOND. Mr. Claytor, I appreciate the candid acknowledgement of a morale problem in DOE's Defense Programs that you made in your prepared statement. I believe it is important that we recognize these problems and resolve them quickly.

How is the morale of the contractor workforce? I have seen press accounts which lead me to believe there may also be a problem with this group.

Mr. CLAYTOR. I have not talked with contractor personnel, as I have with DOE people, so I cannot comment intelligently on contractors' morale. If confirmed, I will certainly make it my business to search out attitudes and concerns by our contractors and deal with them in a constructive way.

DOE "SUPERSITE"

Senator **Thurmond**. Mr. Claytor, do you expect DOE's future modernization plans will include concentrating much of the nuclear weapons complex on a few "supersites?" Where would they be?

Mr. **Claytor**. The question of location and consolidation of production facilities is under review by the task force working on the reconfiguration study. The task force is scheduled to report to the Secretary prior to year-end. If confirmed, I will become involved in the decision-making process on reconfiguration of the nuclear weapons complex, but I do not have adequate information to respond further at this time.

DOE CONTRACTORS

Senator **Thurmond**. Mr. Claytor, a number of your most important contractors, without whom I have grave doubts the complex can be successfully operated, have stated that they may not be willing to continue as DOE contractors if this rulemaking goes through without major revisions. Will you comment on this?

Mr. **Claytor**. I support the Secretary's rulemaking initiative to ensure the accountability of DOE's profit making management and operating (M&O) contractors and to restructure DOE's award fee system to provide further incentives for improved performance by the contractors. The latest rulemaking revision was published for notice and comment on August 10, 1990, and combines and revises two earlier proposed rulemaking initiatives after careful consideration of the written comments of the public.

A number of the contractors testified at a public hearing on August 25, and will be providing further written comments. The public comment period ends on October 9. The Department will then review the comments from the public, which would include any suggestions which contractors choose to make. If confirmed, I will become involved in this matter but I cannot comment further at this time.

DIFFERENT TECHNOLOGIES

Senator **Thurmond**. Mr. Claytor, will you be committed to the concept of "duality"—building both a heavy water and a gas-cooled reactor for a dependable tritium supply? In coming years, when budget pressure on DOE can be expected to be even higher, it could be very difficult to maintain both reactor programs

Mr. **Claytor**. Yes, I concur with the Department's preferred strategy of constructing two new reactor plants of different technologies at two sites. The duality strategy is essentially a strategy of assurance. It was conceived because of a need to guarantee that the Nation will always have a production capability to produce sufficient quantities of tritium for National defense. Currently, the Nation is not producing any tritium for defense purposes because the Savannah River reactors, our sole source for production operations, are shut down. Duality will provide the necessary flexibility and assurance that is needed for such a vital element of our nuclear deterrent. The New Production Reactor Program would not be under my purview as Assistant Secretary for Defense Programs, but is under the independent direction of Dr. Dominic J. Monetta. If confirmed, I expect to be involved in any Department deliberations on the New Production Reactor Program.

ENVIRONMENTAL CLEANUP

Senator **Thurmond**. Mr. Claytor, among the most difficult decisions you will be facing will be how to prioritize *production* and *environmental* concerns. In the past, production has always had the highest priority. Considering the changes in the world situation is it time that we rethink priorities? What is your personal opinion on this critical issue?

Mr. **Claytor**. We must carry out our production operations at the Department's defense facilities in a manner that will protect the health and safety of the public and our workers, and preserve the environment. In recognition of this Departmental priority, at least 51 percent of the award fee pool for defense production contracts is now associated with environment, safety and health (ES&H) issues.

Concomitantly, we cannot return to the past where rigid adherence to production goals led to the subordination of concerns for health, safety and the environment. If confirmed as Assistant Secretary for Defense Programs, I pledge to do my best to not let this happen.

WEAPON COMPLEX MODERNIZATION PLANS

Senator THURMOND. Mr. Claytor, this year the committee denied funds for the Plutonium Recovery Modernization Project at Rocky Flats. Although I disagreed with this outcome, I recognize that the case for PRNF is weakened because DOE has not yet submitted its plan for modernization of the weapon complex. When will that plan be ready?

Mr. CLAYTOR. In August, the Secretary redirected the study to address reconfiguration of the weapons complex. I understand the redirected study is expected by year end. If confirmed, I will become involved in the decision-making process on reconfiguration of the nuclear weapons complex.

NEW PRODUCTION REACTOR ACQUISITION STRATEGY

Senator THURMOND. Mr. Claytor, in August 1988, the Department of Energy announced a preferred new production reactor acquisition strategy which involves proceeding on an urgent schedule with construction of the New Production Reactor. In your judgment how would you define the word urgent and when would you expect the New Production Reactor to begin production under the urgent schedule?

Mr. CLAYTOR. My understanding is that the Secretary has defined urgent to mean in the year 2000, due to the fact that current tritium production requirements cannot be met indefinitely with the aging Savannah River reactors. These reactors are over 35 years old and are currently not operating while undergoing safety and operational improvements. Thus, the Department has outlined a preferred acquisition strategy that is urgently pursuing the design and construction of new production capacity to provide an assured supply of tritium into the next century. The Department anticipates fuel loading in the new production reactors to occur in 1998, with production operations to commence in the year 2000. This Program, which I understand to be on schedule, would not be under my purview as Assistant Secretary for Defense Programs, but is under the independent direction of Dr. Dominic J. Monetta.

[The nomination reference of Richard A. Claytor follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
September 10, 1990.

Ordered, That the following nomination be referred to the Committee on Armed Services:

Richard A. Claytor, of California, to be an Assistant Secretary of Energy (Defense Programs), vice Sylvester R. Foley, Jr., resigned.

[The biographical sketch of Richard A. Claytor, which was transmitted to the committee at the time the nomination was referred, follows:]

BIOGRAPHICAL SKETCH OF RICHARD A. CLAYTOR

Richard A. Claytor was nominated by the President to be the Assistant Secretary for Defense Programs, U.S. Department of Energy (DOE), on September 10, 1990. Up to that time, he was serving as Principal Deputy Assistant Secretary for Nuclear Energy.

Prior to joining the Department of Energy, Mr. Claytor, a registered professional engineer, served in several capacities at the architect-engineering firm of Burns and Roe Enterprises, Incorporated, from 1973 to 1989. Most recently, he was President of the firm's Los Angeles subsidiary, Burns and Roe Pacific Company. In earlier positions, Mr. Claytor served as President of Burns and Roe/Humphreys & Glasgow Synthetic Fuels, Incorporated; and Vice President and Director of Project Operations, and Assistant to the President, of Burns and Roe, Incorporated.

From 1949 to 1973, Mr. Claytor held various positions in the United States Navy, retiring in 1973 with the rank of captain. From 1956 to 1963, he served as Project Manager in the Nuclear Power Division of the Bureau of Ships, reporting directly to Adm. Hyman G. Rickover. Subsequently, Mr. Claytor was Assistant Manager of the Pittsburgh Naval Reactors Office in the U.S. Atomic Energy Commission. Mr. Claytor was awarded the Legion of Merit by the President upon the recommendation of Admiral Rickover.

A native of Roanoke, Virginia, Mr. Claytor earned an M.S. in Naval Architecture and a B.S. in Marine Engineering from Webb Institute of Naval Architecture in 1956. He received his B.S. from the U.S. Naval Academy in 1949. Mr. Claytor is a graduate of the Bettis Reactor Engineering School.

Mr. Claytor is married to the former Mary Lee Leary of Takoma Park, Maryland. They have one daughter, Gale, two sons, Douglas and Richard, Jr., and two grandchildren. They currently reside in Bethesda, Maryland.

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by Richard A. Claytor in connection with his nomination follows:]

UNITED STATES SENATE

COMMITTEE ON ARMED SERVICES

Room SR-228

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearings and will also be published in any hearing record as well as made available to the public.

1. **Name:** (Include any former names used.)

Richard Anderson Claytor.

2. **Position to which nominated:**

Assistant Secretary for Defense Programs, U.S. Department of Energy.

3. **Date of nomination:**

September 10, 1990.

4. **Address:** (List current place of residence and office addresses.)

[Nominee responded and the information is contained in the committee's executive files.]

5. **Date and place of birth:**

September 4, 1927; Roanoke, VA.

6. **Marital Status:** (Include maiden name of wife or husband's name.)

Married to the former Mary Lee Leary.

7. **Names and ages of children:**

Gale Claytor McKinley, 37; Douglas Gordon Claytor, 35; and Richard Anderson Claytor, Jr., 29.

8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.

Virginia Episcopal School, Lynchburg, VA, 1940–1944, graduated.

New York University, New York, NY, 1944–1945.

U.S. Naval Academy, 1945-1949, B.S., June 1949.

Webb Institute of Naval Architecture: M.S., Naval Architecture, July 1956; B.S., Marine Engineering, July 1956.

9. **Employment record:** List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.

Burns and Roe Enterprises, Inc., (Architect/Engineering and Construction Firm) 1973-1989.

a. 1976-1980 — Vice President, Burns and Roe Industrial Services Corp., Oradell, NJ.

b. 1980-1981 — President, Burns and Roe-Humphreys & Glasgow Synthetic Fuels, Inc., Oradell, NJ.

c. 1981-1989 — President, Burns and Roe Pacific Co., Los Angeles, CA, 9/89-12/89 Marketing Consultant, Burns and Roe Pacific Co., Los Angeles, CA.

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

U.S. Navy:

— Midshipman, 1945-1949.

— Commissioned Officer on Active Duty, 1949-1973. (Retired with rank of captain.)

— Retired list 1973-Date.

U.S. Department of Energy:

— Intermittent Consultant to Assistant Secretary of Nuclear Energy, 2/90 - 5/90.

— Principal Deputy Assistant Secretary for Nuclear Energy, 5/90 - Date.

11. **Business relationships:** List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

None.

12. **Memberships:** List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

American Society of Mechanical Engineers.

Society of American Military Engineers.

Licensed as a Professional Engineer in the Sate of New Jersey.

Licensed as a Professional Nuclear Engineer in the State of California.

13. **Political affiliations and activities:**

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

None.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $100 or more for the past 5 years.

None.

14. **Honors and Awards:** List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Legion of Merit awarded by the President of the United States "For Exceptionally Meritorious Conduct in the Performance of Outstanding Services from July 1963 to August 1973." During this period served concurrently as:

Assistant Manager for Operations, Pittsburgh Naval Reactors Office, U.S. Atomic Energy Commission.

Naval Ship Systems Command Technical Representative, Pittsburgh, PA.

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

None.

16. **Speeches:** Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

None.

17. **Selection:**

(a) Do you know why you were chosen for this nomination by the President?

To the best of my knowledge, I was chosen based on the recommendation to the President by the Secretary of Energy, Admiral James D. Watkins, USN (Ret.)

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular position?

Approximately 35 years of management experience of high technology engineering work for both government and industry, the majority involving nuclear engineering.

Seventeen of these years served in the Naval Nuclear Propulsion Program, the last 16 of which I reported directly to Admiral Hyman G. Rickover with major management responsibilities in the application of nuclear reactor technology for ship propulsion.

Six months experience (current) in a senior position in the nuclear energy field in the Department of Energy.

18. **Commitment to testify before Senate committees:** Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

Name: Richard A. Claytor.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past 10 years have your or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employers, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either, individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

RICHARD A. CLAYTOR.

This 14th day of September, 1990.

[The nomination of Richard A. Claytor was reported to the Senate by Senator Sam Nunn on October 5, 1990, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on October 10, 1990.]

NOMINATION OF GEN. MERRILL A. McPEAK, USAF, TO BE CHIEF OF STAFF, UNITED STATES AIR FORCE

WEDNESDAY, OCTOBER 24, 1990

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 2:17 p.m., in room SR-222, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Committee members present: Senators Nunn, Exon, Dixon, Glenn, Warner, and Lott.

Other Senators present: Senators Inouye and Stevens.

Committee staff members present: Arnold L. Punaro, staff director; Andrew S. Effron, general counsel; Christine C. Dauth, chief clerk; and Richard D. DeBobes, counsel.

Professional staff members present: Robert G. Bell, John J. Hamre, David S. Lyles, and Frederick F.Y. Pang.

Minority staff members present: Patrick A. Tucker, minority staff director and counsel; Romie L. Brownlee, deputy staff director for the minority; Brian D. Dailey, George K. Johnson, Jr., George W. Lauffer, and John E. Mansfield; professional staff members.

Staff assistant Present: Barbara L. Braucht.

Committee members' assistants present: Andrew W. Johnson, assistant to Senator Exon; Kenneth N. Luongo, assistant to Senator Levin; Charles C. Smith, assistant to Senator Dixon; Milton D. Beach, assistant to Senator Glenn; Jefferson B. Seabright, assistant to Senator Wirth; Terence M. Lynch, assistant to Senator Shelby; Melvin G. Dubee, assistant to Senator Byrd; Patrick F. McCartan, assistant to Senator Wilson; Anthony H. Cordesman, assistant to Senator McCain; Thomas G. Moore, assistant to Senator Wallop; Robert M. Soofer, assistant to Senator Gorton; Charles G. Pearcy, assistant to Senator Lott; and Eric H. Thoemmes, assistant to Senator Coats.

OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman NUNN. The committee will come to order.

This afternoon the Armed Services Committee is considering the nomination of Gen. Merrill A. McPeak to be the Chief of Staff of the Air Force. General, we extend a warm welcome to you, and also to our distinguished colleagues, Senator Inouye and Senator Stevens. We are delighted to have both of you here.

General, you have a very powerful duo here and a very well-respected team introducing you this afternoon.

General McPeak is being nominated to lead the Air Force during very challenging times and following an unexpected change in leadership. The Air Force continues to face a future of unprecedented change. The size of the Air Force will clearly be reduced and the Air Force has a number of major weapons systems nearing production at a time of very severe budget pressure.

Some of the key challenges facing General McPeak and the Air Force are:

Ensuring strong, positive leadership and a high standard of professionalism and integrity;

Adapting its forces to changes in the threat;

Determining the proper balance between forward presence and rapid reinforcement of forces;

Responding to the challenging of making the Air Force Reserve and the Air National Guard more effective and more efficient;

Maintaining the greatest possible combat punch while reducing overhead and headquarters and support organizations;

Maintaining a very high quality force at lower resource levels with a fair and proper promotion process and opportunities;

Re-orienting the Air Force toward thinking smarter, not richer, which includes greater implementation of flying before we buy, pursuing innovative research to maintain our technological edge, and preserving a viable defense industrial base;

Finally, re-invigorating the effort to field smart stand-off weapons which increase the capability of existing platforms while reducing pilot risk.

Those are at least my feelings of the priorities, General, and we will want to hear yours.

General McPeak has been nominated to serve in a key position as we all struggle with these difficult issues. He comes to this new assignment with substantial experience in a very distinguished career. Currently he is the Commander in Chief of U.S. Air Forces in the Pacific. He has had numerous staff and command assignments within the tactical air forces, as well as here in Washington.

Notably, General McPeak has served as Deputy Chief of Staff for Programs and Resources on the Air Staff, and has held key operational jobs in the field. He is also a graduate of both the Armed Forces Staff College and the National War College.

I would ask unanimous consent that his entire biography be entered into the record. Without objection, it will be.

[The information referred to follows the hearing record.]

Chairman NUNN. I would also like to place in the record a series of advanced questions I have posed to General McPeak and his responses. All members of the committee received copies as soon as I received them on October 1.

Without objection, they will be admitted into the record.

[The information referred to follows the hearing record.]

Chairman NUNN. In a moment, Senator Inouye and Senator Stevens, the chairman and ranking members of the Defense Subcommittee on Appropriations, will introduce the nominee. The views of both these Senators are highly regarded in this committee and we appreciate the opportunity to hear their evaluation of the qualifications of the nominee.

In addition, I would like to publicly thank both of you for your close cooperation and support we have experienced from both you and your staff this year in the inter-relationship and working relationship we are developing and improving between our two committees.

Senator Dixon has a prepared statement that he wishes to have included in the record. When Senator Warner arrives, we will defer to him for any comments he may wish to make.

[Prepared statement by Senator Dixon follows:]

PREPARED STATEMENT BY SENATOR ALAN J. DIXON

Mr. Chairman, I am pleased to be here this afternoon to support Gen. Merrill McPeak's nomination to be Air Force Chief of Staff.

I have reviewed General McPeak's answers to the questions on selected defense policy issues submitted to him by the committee. His responses to these questions indicate that he is willing to cooperate fully with the Congress in our joint objective to produce a strong, efficient national defense.

General McPeak has demonstrated throughout his career that he has superb judgment on complicated national defense issues. I believe the General will be an excellent Air Force Chief of Staff.

Thank you, Mr. Chairman.

Chairman NUNN. We will start with Senator Inouye right now and hear his statement of introduction.

STATEMENT OF HON. DANIEL K. INOUYE, U.S. SENATOR FROM THE STATE OF HAWAII

Senator INOUYE. Thank you very much, Mr. Chairman. I am delighted to have the opportunity to say a few words about my good friend, General Tony McPeak.

It has been a great pleasure for me to have the General in my home State for the past 2 years as Commander in Chief of the Pacific Air Forces. General McPeak is a fighter pilot with exceptional credentials, including 269 combat missions during his tour in Vietnam.

He was also a member of the Air Force's premier aerial demonstration team, the Thunderbirds. Among other aircraft, he is currently qualified to fly the F-15 Eagle and regularly flies with the Hawaii Air National Guard in air defense training missions.

But it is not his accomplishments as a distinguished pilot that bring General McPeak to the hearing this afternoon, because Tony McPeak is above all a commander and leader in the finest traditions of the American military service. He has held command at nearly every organizational level—an element and flight leader, a squadron in combat, an air base, a fighter wing, a numbered air force, and now, of course, a major air command, the Pacific Air Forces.

He has also held staff assignments at the Air Force's European headquarters, Tactical Air Command Headquarters, and here at Air Force Headquarters in Washington.

These assignments have made him uniquely qualified for the position we are considering today. He has experience in planning and programming that will be indispensable as we reshape the military services in the coming years. General McPeak is superbly qualified to assume the duties of Chief of Staff of the Air Force, and I have every confidence that he will continue to provide the leadership this Nation demands from its military services.

Mr. Chairman, once again I thank you for this opportunity to comment on my friend General McPeak and the qualifications he would bring to this position.

Chairman NUNN. Thank you very much, Senator Inouye. We appreciate very much your high recommendation. Senator Stevens.

STATEMENT OF HON. TED STEVENS, U.S. SENATOR FROM THE STATE OF ALASKA

Senator STEVENS. Mr. Chairman, gentlemen: I am pleased to join with Senator Inouye in presenting General McPeak to you. It is, I think, indicative of the way we feel in the Pacific region concerning his role there as Commander of the Pacific Air Force that the two of us are here together.

As you know, I went through a period of time where I was questioning the command structure for Alaska and in particular the Air Force to that, and it was through a series of meetings with General McPeak and General Tom McInerny, who is in Alaska now, that we finally worked out an arrangement that I think has given Alaska its rightful place as part of the Pacific Command.

But during that period I got to know General McPeak and his staff very well. I visited there several times, and I do believe that the briefings I had, the discussions I had, indicated to me that General McPeak is eminently qualified for this position that he is nominated for and now before your committee for confirmation.

In one of those conversations, I found out we both had high regard for a young woman who is one of my daughter Lily's best friends, and is now his daughter-in-law. So Lily told me last night to be sure to tell you that she endorses General McPeak, too. She is pretty well known around that table, General. I want you to know that she has known them all for a long time.

But in all seriousness, I have high regard for the team at the Pentagon now, Secretary Cheney and Chairman of the Joint Chiefs of Staff Colin Powell. I think that Tony McPeak joins a real capable team in a period of high tension for our country internationally, and I am pleased to see that he has this opportunity. It was not expected, but it is a great opportunity for him and for the country to have him as the Chief of Staff of the Air Force.

So I am pleased to be with him, to present him to you today.

Chairman NUNN. Thank you very much, Senator Stevens.

General, you have been thoroughly and appropriately introduced here today.

Senator Warner, we called on you in absentia. Now that you are here, I will ask you if you have any comments.

Senator WARNER. A small matter of a vote, Mr. Chairman.

We welcome our two colleagues. I have had the opportunity to extensively discuss policy matters with the General and I am very impressed. Thank you, gentlemen.

Senator STEVENS. Mr. Chairman, will you excuse us now?

Chairman NUNN. Yes, I would be glad to. Thank you for being here.

Senator **Stevens**. Thank you.

Chairman **Nunn**. General, we would be delighted to hear from you, any kind of opening statement you have, and then we will move around and ask questions from the members.

STATEMENT OF GEN. MERRILL A. McPEAK, USAF, NOMINATED TO BE CHIEF OF STAFF, U.S. AIR FORCE

General **McPeak**. Mr. Chairman, I do have a very brief opening statement I would like to make. First, I would like to express my deep appreciation for the two fine combat veterans who just introduced me here. I am obliged to them.

Sir, I am both honored by the President's nomination and grateful for the confidence he and my superiors have shown in me. While I regret the circumstances surrounding my unexpected appearance before this body, I am nevertheless prepared and eager to lead the outstanding men and women of the U.S. Air Force.

The decade of the 1990s seems likely to continue producing the significant political changes that have characterized the closing of the 1980s. These changes, in combination with competing domestic priorities, will present sizable national security challenges in the years ahead. I hope to help by providing advice and insight on how our Air Force can best support national objectives.

Mr. Chairman, the Air Force is preparing for the 21st century now. We are reducing our size, revitalizing our organization, and trying, with your help, to build on our strengths. It will be a special privilege for me to work on these issues in the executive branch and with the Congress.

National security is a collaborative effort and, if confirmed, I look forward to a strong, productive relationship with you and your colleagues.

Thank you, sir.

Chairman **Nunn**. Thank you very much, General.

General, your predecessor's departure, of course, caused quite a stir in a period of great tension in the world. I do not want to get into detailed questions with you about that, but I would like to get your view from two perspectives.

I am concerned, of course, about the inappropriateness of the comments and the inappropriateness of some of the disclosures that were made in those discussions, but also concerned, on the other hand, that we not have an overreaction in our military to the point that our military leaders become reluctant to give their views to both these committees of the Congress when asked their personal views, to the news media as appropriate, and to the American public, because our system, after all, depends on the confidence of the American public in our military leadership.

How do you view this difficult set of circumstances and what lessons do you learn from it?

General **McPeak**. First of all, Mr. Chairman, I should tell you that Mike Dugan is probably my closest friend in the U.S. Air Force. We were lieutenants together in a fighter squadron in 1961 in the United Kingdom, so we have kind of grown up together in the Air Force. He is certainly my closest friend among the senior ranks in our organization. I think he was right about an awful lot of things that he started to do during his tenure as Chief, in particular, his initiatives toward greater openness with the press, with Congress, and with the public in general.

I endorse that. I think he was on the right track. I think it is absolutely necessary that we continue to do that, and so I believe he had the right principle in mind, the right policy.

I also believe that he made a mistake on one occasion when he went to Saudi Arabia and took reporters along with him in the airplane and was on the record for that entire trip. That is very difficult to do, to stay on the record with the press for 15 hours and not make some kind of a mistake.

So, I think he made a mistake. He made a mistake in discussing particular details of our targeting philosophy, potential approach, strategic or tactical concepts we might employ, and in expressing an opinion about options, military options, that are really the decision for the President to make. It is the President who has to decide what we are going to do over there; what targets we will attack; and on the rules of engagement.

It is not proper for the chief of any service to take these prerogatives away from the President.

I think Mike understands that now. He called me immediately after he was relieved and said that he felt he had made a big mistake. So, I think it was an honest mistake on his part, nevertheless a mistake, and I would certainly seek to avoid making a similar mistake.

Chairman NUNN. Thank you very much, General. I know it was difficult for all of his close friends and for those who had followed his career and know of the service he has rendered to the Air Force and his country.

Do you, General, agree to appear before this committee, if you are confirmed, and other appropriate committees of the Congress and, when asked, give your personal views, even if those views differ with the administration in office?

General MCPEAK. Yes, sir.

Chairman NUNN. Let me rotate now to Senator Warner and I will come back.

Senator WARNER. I will defer to my colleague. He was here before I was here, Mr. Chairman.

Chairman NUNN. Senator Exon.

Senator EXON. Mr. Chairman, thank you very much.

General, I want to welcome you here and tell you how pleased I am with the nomination, and I am looking forward to thoroughly supporting you for this position and working with you on the many things that we are confronted with in a very difficult time. At a time when the budget is being cut very dramatically and it is going to be incumbent upon us to have your advice and input on these many important matters, looking not just in the short range but over the horizon, with regard to the national security interests of the United States for 5, 10, 20 to 30 years to come.

I want to start out by asking you some questions about something that I am very much involved in as the chairman of the Strategic Forces and Nuclear Deterrence Subcommittee of this committee and give you an opportunity, if I can, to make some general statements with regard to your view on where we are going from here to there on a whole series of programs.

Let me start out by saying, do you believe that the United States should maintain a strategic triad, as opposed to a strategic diad that is talked about from time to time? And if you believe that a strategic triad is important, then what role do you see as an expert in this area for the B-2 bomber?

General McPeak. Well, first of all, I believe strongly in the triad approach. It has served this Nation's security needs very well over the past 35 years or so. It is a demonstrated success.

I also strongly endorse the requirement for and procurement of the B-2, right up until the last part, Senator, where you describe me as an expert. I am a fighter pilot. I have flown the B-1. I flew it about a month ago, and I was very impressed with the B-1. But, I am not as technically conversant with the B-2 or the strategic programs perhaps as I would be in my own field.

But I strongly support the B-2. I think it makes an awful lot of sense for a number of reasons. Its deterrent value is the principal reason we are buying it, and I have not heard anybody argue that the Soviets or any other country that might constitute a threat for us would not see the B-2 as a deterrent.

In fact, in our negotiations in the START talks—as I understand them—we and the Soviets have agreed to counting rules which would indicate that both of us understand the deterrent value of the manned bomber. We are seeking to encourage its continued use, on the grounds not just of its deterrent value but also for its contributions to stability.

Chairman Nunn. General, could you expand on that point, because it is not one that people understand very well. I think you ought to tell us, why is the manned bomber stable?

General McPeak. Well, sir, you know a heck of a lot more about this than I do, so I am a little bit worried. I ought to probably ask you.

But the fact of the matter is, I think, all sides agree that slow flyers are stabilizing. In other words, it just stands to reason that if both sides are armed to the teeth with 30-minute missiles that can arrive quite quickly on targets, that that does not give either side much time for measured response or considered responses in a crisis situation; whereas slow flyers, that take hours to reach their objective targets, do provide for some time to figure out a response.

In fact, that is why we characterize the slow flyers as not being primarily first strike systems, but retaliatory systems. They can be recalled. They can be launched and recalled. They can be put on higher levels of alert and so forth. There are a number of ways you can also use the slow flyers to indicate or to demonstrate resolve.

But there seems no doubt, in theory at least, in the abstract, that the slow-responding systems are more stabilizing in a crisis situation. Accordingly—and both sides have recognized that and in the START talks have arranged for counting rules that incentivize each side to grow that portion of the triad and to try to reduce the emphasis on multiple warhead ICBM's, which are considered obviously much less stabilizing.

Now, I think too much could be made of the stability argument personally, and I may be wandering a bit far afield here. But it seems to me that the system of mutual assured destruction, in which each side has kind of made a bargain with the other that it will be essentially highly vulnerable to attack, has shown itself to be pretty stable, and we have lived through several crises with it. We have lived through political change at the top on both sides. So it has shown remarkable stability.

In other words, it is not a two-legged stool kind of thing, about to fall over.

On the other hand, the potential consequences of any instability in the system are so grave that I do not think we should ever overlook any possibility to try to increase the stability in the system. Accordingly, I support the B-2 because of its importance in the deterrence equation and because of the contribution in terms of increased stability that it would make in the system.

Senator EXON. General, let me follow up on that point just a little bit more. Assuming neither side had ICBM's that could be launched and arrive at target in a matter of minutes, the point you are making and I think the point that should be understood is that if we had a more perfect world than we have right now, then that would mean that we would have no ICBM's with the first strike concern that we have and the potential opposition have.

The point that I think should be understood by all: We do not live in a perfect world, and I think the world could be at least somewhat safer if we can continue to reduce the number of ICBM's on each side and have each side rely more, if necessary, on a manned bomber.

Is not that the basic thrust of what you just said?

General MCPEAK. Yes, sir. I am sorry I took so long to say it. You summarized it much better.

Senator EXON. Thank you. My time is up. I will have some other questions in the second round, Mr. Chairman.

Chairman NUNN. Senator Glenn.

Senator GLENN. Go ahead, John.

Senator WARNER. Let me pick right up on those important questions by our colleague from Nebraska and direct your attention to the Small ICBM program. I must tell you that I am a strong proponent of the continuation of the R&D and I am a strong proponent of achieving in our ground-based leg the maximum mobility.

I think this system affords a greater potential mobility than does the rail system. And would you address both systems and specifically your views as to the direction the Department of the Air Force should take with the small ICBM?

General MCPEAK. Yes, sir. As you know, Senator Warner, the Air Force has advocated a pause in the fielding of both of those systems. We did that because, while we are continuing aggressive R&D programs on both Peacekeeper Rail Garrison and the small missile, it was clear to us that in the START negotiations we were moving away from the idea, or we could potentially move away from the idea, of mobile MIRV missiles, and therefore, we did not want to spend money on deploying the Peacekeeper in a Rail Garrison mode that would subsequently have to be essentially bargained away.

On the small ICBM, we would like to continue R&D at a measured pace, and we think that the negotiations, the strategic negotiations that are ongoing now, give us the capability to continue that. As you know, we were scheduled to field Peacekeeper Rail Garrison in calendar 1992. We will not make that now as a result of the pause.

But the small missile in a mobile mode was not scheduled until very late in the decade, I think 1997 or 1998. So it was farther behind in terms of its development and it needs a lot more development than Peacekeeper Rail Garrison. In the case of Peacekeeper Rail Garrison we had the missile, had already developed it, and we had railroad car technology, nothing really new there. In the case of the small missile with a mobile launcher, we have to develop the missile and we have to develop the hard mobile launcher.

So it was going to come along later. There are some development problems to solve along that trail, and we think it is a good idea to continue the research and development on that in a measured way.

We can then, later in the nineties, address the problem of whether we want to make the small missile truly mobile or whether we want to deal with it as a sort of a Minuteman replacement missile, to go into the Minuteman silos as the Minuteman missiles age out or obsolesce.

Senator WARNER. Well, let us put it on the record right now and see if we have a concurrence. The Soviets night and day are bending steel and putting mobile systems on both rail and road, am I not correct?

General McPEAK. Yes, sir.

Senator WARNER. What sort of risks have we taken as a nation in not trying to move forward more rapidly with our mobility?

General McPEAK. Absent a START agreement, I think the risks might be considerable. But in START, we are getting limitations on the number of warheads and so on and so forth which will significantly reduce the risk that we would face without mobile systems.

Accordingly, we have advocated continued R&D on these programs, because that is essential. We need to demonstrate to the Soviets that we are capable of fielding those systems if we need to. And meanwhile, we do not need to make an immediate decision on deployment of small in either a mobile or a silo mode. We can make that decision downstream, continuing the development to make sure we can take it mobile if we need to.

Senator WARNER. Let me wrap up with one question on the Small ICBM. I think as we pursue the R&D on that we continue to look at the option of making that hard mobile launcher in such a way that it could, if a future President so decided, it could interface with the interstate highway system and not be just confined to Federal property.

If at some point in your career, assuming you are confirmed, that you have a differing opinion from that I have just expressed, I would appreciate only that you communicate that to me.

General McPEAK. Yes, sir, I will.

Senator WARNER. Turning to the question of SDI, regrettably, our figures on that as proposed by both committees now in the conference report are substantially lower than what the President, in his judgment, deemed necessary for the future defense of this country.

What role do you think the Department of the Air Force should have in the future of that program?

General McPEAK. Well, sir, I strongly support the Strategic Defense Initiative. I think it is a good idea to try to defend the United States against ballistic missile attack. But it is not an Air Force program, as you know, sir.

Senator WARNER. I understand that. Each of the military departments have some say, and you, sitting on the Joint Chiefs, will have some say.

General McPEAK. Well, I support the program. I think it is a good idea. I believe the institutions and the property and the citizens of this country should be defended from attack, all kinds of attack.

Senator WARNER. Now we turn quickly to another subject in the time I have, and that is the MILSTAR, again another program that was very carefully reviewed in the context of this conference. Initially there were strong differences between the House and the Senate. Many of those differences were reconciled.

I still think there may be a problem with the funding level, but there again I believe we put in a safety net by way of reprogramming options to take care of that.

My concern, and I think it is shared by others at this table today, is that this program be restructured so as to put a greater degree of emphasis on the tactical options involved in that program. In other words, it simply should not have as its main focus the, let us say, post-initial exchange of nuclear weapons, and greater incorporation of tactical capability.

Do you have a view on that?

General McPEAK. I agree with you that the tactical capability in the system is very important. As a matter of fact, as you know, Senator, we are designing the system to meet requirements from all the CINC's worldwide, and many of them——

Senator WARNER. I think you ought to take a closer look at it. There was not that much emphasis on the tactical when we looked at it prior to conference, and I think in our bill and report language we have now redirected that program.

But you generally support the program?

General McPEAK. I support the program. Its tactical capability is very important to us, and I will review it specifically to make sure we get as much out of it in the tactical sense as we can.

Senator WARNER. A last quick question. When I had the option—not the option, but the opportunity—to serve the Department of Defense, there was a Chief of Navy at that time that adopted Z-grams, and I say that not just with humor but fond recollection of that outstanding Admiral.

I am wondering, are you going to put out a McPeak-gram on diets in the Air Force?

General McPEAK. Diets?

Senator WARNER. Yes. That is, not necessarily weight reduction diets, but I understand you have a proclivity to certain types of diet. Are you going to let them be a free choice or encourage them?

General McPEAK. I have always shared my secret recipes with anybody who asked for them.

I do believe in a trimmer Air Force in a lot of ways.

Senator WARNER. Now hear this: It will be trimmer. I hear you. [Laughter.]

Chairman NUNN. Senator Glenn.

Senator GLENN. General, I just want you to know that there are those of us on the committee who do not consider your having a fighter pilot background as something that should be held against you. [Laughter.]

General MCPEAK. Thank you, Senator.

Senator GLENN. I also noted in your background, too, you have a degree in economics. Maybe we need you here in Washington in a little different field than just as a pilot.

More seriously, I noted in your answers to some of the questions about how the space functions should be divided up that you indicated some support for what Admiral Crowe had said. I believe you did not mention NASA in that. Did you mean to eliminate NASA and give all functions over to the Air Force, or how would you do that?

General MCPEAK. No, sir. I really do not know a great deal about that part of how the Government operates, but I do not believe it is a good idea to eliminate NASA. The Air Force has a space role as an operator and doing some R&D in space, and I do not see that that brings us into conflict with NASA.

Senator GLENN. You are just coming out of the Pacific Command out there and that is a huge area. One of the spots that you have in your command out there has been Clark Air Force Base in the Philippines, which looks to be under some stress as far as whether we are going to be able to keep it or not.

General MCPEAK. Yes, sir.

Senator GLENN. How critical is Clark to our combat readiness in the Pacific, and what alternatives do we have if we no longer have that base, as you see it?

General MCPEAK. Well, Clark gives us a number of advantages from a national security standpoint, Senator. But one of the most important is that it is the place where we do what one might call postgraduate tactical training for pilots from all over the Pacific.

We can do undergraduate level kind of training, in Korea, in Japan, and elsewhere in the Pacific where we have the air space and ranges to do four-ship flights, one v. one kind of training, and so forth.

It is only in the Philippines in WESTPAC that we have the air space and the range to allow for large-scale integrated training, many v. many types of scenarios. So if we lose the capability to go down to Clark and use the range at Crow Valley, then we will have to look elsewhere, and there are not many places in the Pacific that you would look.

The first place that springs to mind is Alaska, and in Alaska we do have the air space and the ground for ranges and so forth. We would have to make an investment up there of some size, to make it a modern, tactics-oriented range, but we could do it, and I would think that if we must leave Clark that the logical alternative is to look more to Alaska for our training needs.

Senator GLENN. Would that be out on the island chain up there or would this be on the mainland?

General MCPEAK. No, sir, central Alaska.

Senator GLENN. Central Alaska.

General McPEAK. Yes, sir. The hub of it would be Eielson Air Force Base at Fairbanks, which would become kind of the Clark of the North for the Pacific region. But we would also support air to air training out of Elmendorf. We already are building an air combat maneuvering instrumented range for use out of Elmendorf, and we would just have to expand the use of the Oklahoma Range and the Yukon Range just south of Eielson.

Senator GLENN. Have you had a chance yet to get into the study we asked for last year on the total force policy?

General McPEAK. No, sir, I am not sure I am familiar with that policy. I have views about the total force, but I am not sure I have read that study, sir.

Senator GLENN. Well, the total force policy is what has guided our split of roles and missions between Regulars and Reserves, as you are familiar, I am sure, since 1973.

We asked informally, for about 3 years in a row, that that be restudied. We think it should be looked at at least once every 15 or 20 years to see whether it is still doing the job, and it had not really been reassessed. We asked for that. The Pentagon was not forthcoming.

We finally wrote it in last year, stressed very much what we wanted, including a detailed rundown in the report that went along with that. We were supposed to have the preliminary draft in September, which we got just a couple days late. That was not bad.

We were to receive the final report by the end of this year. We need the Total Force Study now so we can really start breaking down the roles and missions between the Guard and Reserve, where we should change, what roles the Guard can assume that the Regulars have been performing. We need to identify where things have not really worked out that well.

What we got back on that September draft was absolutely worthless. We are putting very strong language in the new defense authorization bill which expresses our disappointment in the September draft.

In some areas, the Army for instance, some of their combat support and service functions have not worked well in the Army Reserves. On the other hand, the Air Force has had pretty good results with their reserves, and I recall that 75 or 80 percent of inflight refueling, for instance, is performed by reserve squadrons. So there are some of those functions that have been very well done.

I am bringing this issue up today because we are going to be on a short fuse here, going to be out of town. We are going to be coming back in the first of the year and we would like to have that total force policy study ready to go, so it can give us some guidance next year as we start to draw down forces and each service becomes smaller with Department of Defense cuts projected at about one-half million over the next 5 years. The Air Force has part of that cut, of course.

But if you could give some attention to that on a priority basis and let your views be known on what you think the Air Force can do with bettering the Reserves than we are doing now, or take functions out of the Reserves and put them back in the Regulars that are not working, we would appreciate your evaluations.

We are going to need some guidance on this, and what we have so far from DOD is absolutely worthless. It does not give us anything. You might want to review that in last year's defense authorization language that we sent along with it as guidance of what we were thinking about. But we really do need that.

My time is already up here, but this thing of how much we use reserves has recently come to the fore because of Desert Shield, and most of the Reserve units that have been called up have been very specialized. We have not had whole Army units that were combat units. There have been combat support, combat service support units.

We would appreciate your looking at that total force policy so we could get your counsel and advice on how we go with that thing. We are going to need it next year, and we need it more now than we did when we were building up.

Thank you.

General McPEAK. Yes, sir. Thank you. I will look at it.

Chairman NUNN. Senator Lott.

Senator LOTT. Thank you, Mr. Chairman.

First, General McPeak, I want to congratulate you on your selection for this position. It is an honor, I think. You have a lot of challenges to face.

I apologize for being a little late. Maybe you have already answered a couple of the questions I have. But one, you know, when you come into a position of responsibility and leadership like the one you are coming into, you have a myriad of things you have to be concerned about. You have to look after all of these things and not neglect any one of them.

But all of us have some areas of special interest and concern. What would yours be?

General McPEAK. Oh, my goodness. Well, I think that we are going to be a smaller Air Force over the years ahead, and I do not think the American people should put one dollar into an Air Force that is not ready for combat. So with those two priorities in mind, the fact that we have to crank down in size and that we have to retain the maximum combat capability we can, I think that is a significant management problem.

It has to do with the way we are organized from the flight line all the way up to the Air Staff. So one of my immediate first concerns will be how we manage that reorganization or restructuring of the Air Force.

I don't think a revolutionary change is needed here, because the Air Force is a good operation, we are in pretty good shape, but some rather careful tinkering on the margins needs to be done to make sure that we continue to be relevant, that our organization tracks to the combat tasks we know we may have to face.

So I am going to give that a lot of priority. I guess you could sweep that up and call that reorganization my number one priority.

Senator LOTT. I am very pleased with your answer and I think the committee would be very pleased if you would make that a focus of your leadership.

As a part of that, I think a natural follow-on is my next question. Unfortunately, I think that the military, but the Air Force in particular, has a degree of problem with credibility. We have had problems with weapons system acquisition, cost overruns, delayed programs, operational limitations, maintainability, and all of that.

You have a problem to a degree with the Congress and the public at large. How are you going to deal with that?

General McPEAK. I would like an easier question. [Laughter.]

General McPEAK. Well, over the years my conviction has been that the Air Force is a pretty shiny operation. I think our integrity has been and is in pretty good shape if you are talking about the substance of the thing.

Where we have a problem, it is an image problem. In other words, the appearance of a lack of integrity is the problem we have. Unfortunately, I think in this business that the appearance of a lack of integrity amounts to the same thing as a lack of integrity.

Someone told me yesterday or the day before that if you look fat on TV, you are fat. So if we look like we do not have integrity, then that is a problem. That is a problem of substance as well as image.

How can we attack it? Well, first of all, I think we are lucky in a sense. We have Don Rice as our Secretary, and everybody knows him, knows that he is honest right down to his bones, and so we start off with an advantage in that our front office leadership has unquestioned integrity.

As far as the blue suit goes, the uniformed members of the Air Force, I can just tell you that we will not cut corners, period! There is going to be no lack of integrity among the senior officers of the Air Force, that is all there is to it.

I do not mean to sound like I am going to go out there and crack down on all the crooks in the Air Force, because I do not feel that is the way the Air Force is. But I certainly will not countenance any variations on that theme. We are going to do business in a straightforward, honest, businesslike way.

If we do that and we are seen to do that, then our image will recover over time and we will be back in good shape.

Senator LOTT. Those have been very general answers. One a little bit more specific. You were asked the question in the advanced questions and you responded, but I would like for you to respond on the record here verbally and maybe expand on it a little bit. Pilot retention is a great concern, I know, to the Air Force, certainly to you. Congress has been trying to help with that, but I am concerned that that problem is going to get worse instead of better.

Do you have any specific recommendations that you would like to make?

General McPEAK. I share your concern. I would like to thank Congress, as I did in my prepared responses, for the help you have given us. It has been very good.

I see us, in a sense, as in a market competition for the resource. The pilot resource is a scarce resource. The airlines are going to continue to hire large numbers of pilots as far forward into the future as anybody is making projections on that question.

We can expect the market to work, for pilots just like markets work. I mean, thank goodness, there seems to be a wave of enthusiasm for the free market system that is sweeping the world, but we all like the fact that the market works the way it works. And what happens in a free market is the resource moves to the highest bidder.

There is a sense in which we are in a bidding competition for the resource, and fundamentally we have to attack this problem from the standpoint of compensation.

Having said that, that is not all there is to the problem. We also have some special advantages in the competition for pilots which have nothing to do with compensation. I work for one of the very few organizations where you can make a living by strafing and going up and fighting with other folks in mock combat, and so on and so forth. This is a very exciting way of life and it attracts people quite aside from the compensation issue.

In some of our personnel policies over the past years, we have tended to make that somewhat less attractive by saying that you could not have or implying or in fact managing the system in such a way that you could not have a truly fulfilling career in the Air Force if you just wanted to be a pilot. It is a variation on a theme we sometimes see in industry, where they have perfectly good engineers who cannot get ahead until they go to business school and get an MBA.

We have said you cannot just be a good fighter pilot or a good bomber pilot or a good transport pilot; you have to go to staff college and go work in the Pentagon or something in order to fill squares so that you can get ahead in the Air Force.

So I am concerned about making sure that our personnel management policies make it possible to have a truly fulfilling career in the Air Force as a pilot. I think we have some more work that we can do in that regard. When we do that, we will restore the full advantages that accrue to us from the excitement and the adventure and the pleasure of military flying which cannot be duplicated elsewhere and reduce, I think, our reliance on compensation as the main way we fight this competition.

Senator LOTT. One final brief, but very important, question. Do you know where Columbus Air Force Base is?

General McPEAK. Yes, sir, I sure do. Mighty nice place.

Senator LOTT. Very good.

Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator Lott.

General, I have a couple more questions in an open session and then we will be going into an executive session to discuss some personnel matters. Senator Glenn, I hope, and Senator Warner, I know, are both interested in them.

Without getting into details about quantities in the Persian Gulf, could you describe for us now in a general way the capability the Air Force has with stand-off weapons, with conventional weapons that do not have to have the pilot flying over the target?

General McPEAK. In a general way, Senator, we do not have a great deal there in the way of stand-off munitions that do not require target overflight. Most of the weaponry we have there for attack of ground targets will require that we get pretty close to the target.

Chairman NUNN. General, I have been harping on this for about 6 years now, 7 years, and I cannot seem to get the attention of the Air Force. We spend billions and billions and billions of dollars on platforms and do not put much priority on the stand-off munitions which are technically available now if we devoted some resources to them, and even when we buy them we do not buy enough.

It seems to me we are in a situation over there right now—and I hope that the UN mandate can be carried out without conflict. That is the hope, I think, of most people in America. But if we do get into a conflict for one reason or the other, because we do not have that kind of stand-off weapon we are going to have pilot after pilot after pilot and plane after plane after plane going over targets and hopefully performing their mission, but being at much greater risk than they would if we devoted some resources to stand-off weapons.

Maybe I am overstating it, but what are your views?

General MCPEAK. Mr. Chairman, you ask a very complicated question and I apologize in advance if it takes me a while to answer.

Chairman NUNN. I would like to hear it.

General MCPEAK. Well, first of all, stand-off is relative. A spear is a stand-off weapon against someone armed with a machete. I mean, that oversimplifies it, but there is a sense in which all air-delivered munitions are stand-off. They are dropped from some altitude, which gives you automatic stand-off, and they have the advantage of the velocity imparted to the munition by the delivery platform, whereas ground defenses, for instance, must overcome 1g gravity to reach you, plus go from zero velocity to some velocity at which they are going to approach you.

Accordingly, aircraft always have a stand-off advantage against ground targets. It is inherent in the physics of the problem.

We have used such stand-off to make us safe against a whole range of target defenses. For instance, if we find that a target is defended by small arms fire, we are safe at a couple thousand feet. If it is defended by AAA, we are safe—depending on the caliber of the round, 5 or 6,000 feet is usually good enough against something like, say, the 23 millimeter gun. We may have to go higher against other calibers.

So we have an inherent stand-off advantage. And the problem that we have as we approach the question of how to buy the best balance of munitions is that free-falling munitions are very inexpensive, even bullets. A 20 millimeter HEI round costs about $5.00. A Phoenix is a what, $600,000 missile. Both the Phoenix and the 20 millimeter HEI round will score a kill if you get in a position to deliver it.

An iron bomb, 2,000 pound bomb, costs about $1 a pound, $2,700 for a full-up 2,000 pound bomb. It is the munition of choice against all ground targets on a cost basis.

Tomahawk, for instance, which has less net explosive weight than a 2,000 pound bomb, in other words, would inflict less damage, is a $1 million munition. So you can buy an awful lot—you can buy 500 2,000-pound bombs for the price of one Tomahawk.

So it is obvious that you would always use unguided munitions to deliver against targets unless the vulnerability of the platform is an issue. So that is a long way of acknowledging up front, in your question, what is the vulnerability of platforms.

I conclude that we need stand-off munitions primarily to attack ground defenses. Once ground defenses are suppressed, then free-falling munitions are the obvious munition of choice.

Chairman NUNN. Yes, once you get where the platform is. But it is one thing to compare the $600,000 weapon with a $2,000 weapon. That is obvious. But when you plug in that to drop that $2,000 weapon you are flying a $50 million weapon into a risky area where it could be shot down, then that changes the mathematics a great deal.

General MCPEAK. It does.

Chairman NUNN. Not to in any way ignore the most important element, and that is the life of the people who are flying the platform.

General MCPEAK. It certainly changes it, and accordingly it is the question of how to suppress target defenses that is important, because absent target defenses fighter pilots are essentially invulnerable. At least we all feel that way.

So what do you have to do to suppress target defenses is the real question, because that is essentially the target base for which you wish to procure stand-off munitions. Although there are other kinds of specialized targets that you might want to go after with stand-off munitions for example, say there is a very important target that you must attack before you can get around to suppressing all the defenses, that kind of thing.

But my conviction, sir, is that the principle target base against which you wish to attack with stand-off munitions is target defenses. Once you get defenses suppressed, then go after them with unguided munitions because it is so much cheaper.

In other words, all the dollars spent on stand-off munitions are throw-away costs, and those high throw-away costs are what get you unless you are going after suppressing target defenses, in my judgment.

Now, it turns out that there are an awful lot of target defenses. So you do have a sizable requirement for stand-off munitions and other kinds of systems that effectively suppress defenses, like stand-off EW jamming, self-protection jamming pods, warning gear, communications jamming equipment, and so forth.

So the real judgment call here is in how you balance that whole business, the munitions, stand-off versus overflight munitions, and the question of defense suppression from a munitions standpoint and from the standpoint of all the other systems needed to help with that problem. It is a judgment call how to achieve that balance.

It has been very difficult for us to come to grips with the problem because every time we think we have a solution it turns out to be a very high cost proposition.

Chairman NUNN. I hope you will take another look at it. I know there is a balance there, but I have had the feeling that for a long time we have not maintained or developed that balance, that we have opted too much of our money to be going to platforms that cost literally $40, $50 million apiece, and not nearly enough of our resources priority-wise to stand-off munitions that can indeed protect those platforms so that they can indeed at a later stage of the conflict deliver cheaper munitions with accuracy.

I hope you will take a look at that, because I happen to think the Air Force has a tendency to go after platforms because that is what you fly, and I think that somebody has to take a close look at it. I hope that you will look at it, and it may be a very appropriate time to look at it. I hope we do not have to learn lessons from this one, but I think we should have learned that lesson in the past.

Senator Exon, Senator Glenn, any other questions?

Senator EXON. I have a question.

Chairman NUNN. Senator Exon.

Senator EXON. General, I want to get your view on the airlift problems that we have. We had some reports that one of the shortcomings of the Desert Shield operation was the lack of prompt and adequate airlift. Can you tell us what you know about that, and any particular views about how we could improve that?

And also in that regard, how vital do you see the C-17 aircraft is in light of my question?

General MCPEAK. Well, Senator, I think the airlift story on Desert Shield has been a real success story. We have done very well. We have moved people quickly. We had the first squadrons there within 3 or 4 days of the go-ahead on it, and the system has held up very well. We are continuing to deliver a very high volume of tonnage of cargo and also passengers. The in-commission rate of the aircraft in the system is holding up remarkably well.

It has been a real tribute to our people in the Military Airlift Command, so I think it is a success story.

Senator EXON. The only casualty we had, I think, was the one aircraft taking off from a West German base, is that not correct? Everything else experienced no particular problem?

General MCPEAK. That is correct. Well, I would not say it has been a trouble-free process, because we were calling these plays in the huddle. I mean, we were drawing the diagram in the huddle. We were not operating off of a play book here. So it was a come as you are kind of thing and we came as we were, and so there were some glitches. We did not pick up every ounce of cargo or every passenger at precisely the desired time.

But taken in the aggregate, this has been a tremendously successful exercise. Now, one of the things it has been highlighted is that the C-141 does have a problem of aging that is coming along, and that is to be expected. I mean, it is at that point in its life.

I see the C-17 as a very necessary and vital part of our force modernization for the future. It enables us essentially to take C-5 type of cargo loads into C-130 type of airports. So it will allow us to operate off of many more airports worldwide, and it will also allow us to move the Army's outsize and heavy cargo to those forward locations, which will bring it to grips with their front line responsibilities much quicker.

So in the context of the total modernization of our airlift fleet, I think the C-17 is a vital part of that.

Senator EXON. Let me get into the contracting matter. As you know, I believe, General Drewes, who is the Deputy Chief of Staff/

Contracting, Headquarters Air Force Systems Command, recently released a report and it cited some continuing difficulties that the Air Force is having, particularly with Northrop Corporation and some other contractors.

We had a lengthy hearing that I chaired in this room a couple weeks ago when the Secretary of the Air Force was in and testified on these matters. And I recognize that as Chief of Staff you have plenty of things to do without spending an inordinate amount of time on the problems with contractors. However, I do say that we are very much concerned about this whole matter on this committee.

Could you just give us any general views as to how you see your role as Chief of the Air Force and what responsibilities, if any, do you see that you have with regard to trying to work out some of these problems, maybe with at least some oversight responsibility or direct action on your part to smooth out what we recognize is a continuing and very nagging problem for the Air Force, because naturally you would like to have everything that is produced put into your hands and be able to put it to the national security interest of the United States.

What about this whole proposition? What can you do, if anything, about the continued mismanagement, contract deviation, waste, fraud and abuse, and that whole range of things that is causing us grave difficulties today, especially with the drawdown in funding?

General McPEAK. Well, sir, as regards the Northrop case in particular, I have met their chief executive officer recently, Mr. Kresa. I was very impressed with him. I think he has a recovery program under way there. There is no doubt there were problems with that company before. But judging this as just a layman looking in from the outside, I think that they are moving in the right direction.

On the broader problem of my role or perhaps even the uniformed Air Force role in the acquisition process, I think we do have a very constructive role to play. You will recognize, of course, that that is in many ways a civilian responsibility, a responsibility of the Secretariat. Since we have reorganized now, we have an Assistant Secretary for Acquisition, a streamlined approach to procurement, with program management in a reporting line to the Assistant Secretary for Acquisition. So many of those responsibilities are heavily civilianized and in the Secretariat.

I think that the principal military role here is, number one, in the statement of requirements. In other words, we develop military hardware to meet a military requirement, and in my judgment that has to be the statement of a military officer, essentially. That is a military responsibility.

So at the beginning of a program, at the very outset before the thing gets going, we need to lay down what it is that we need to achieve for the combat purpose intended. That requirements statement then, as I say, must be a heavily military kind of a thing.

At the opposite end of the program, when it has gone all the way through design, development, initial R&D, development, test, and so on, then we need to test it. The function of operational test and evaluation I think is also heavily a military question.

So at the front of the program and at the back of the program we have to have military input that says here is what is required by us to do our combat job, and then at the end, yes, what you have provided to us meets our required combat need. In the middle there I think you have a lot of room for civilian management, because the civilians understand industry, they understand the development business, they understand the acquisition business.

Nothing about going to flying school made me an expert in buying airplanes. It made me an expert in flying airplanes. But there are people who spend their life in the airplane buying business and I would tend to say they are the ones who ought to manage that function.

Now, admittedly we will provide military expertise all along the way there. This is not a binary process, an either or business, so we will have an involvement in all the stages of the process. But I think our function there is mostly to continue to give as near as we can some military advice while we turn acquisition over to the people who are experts at acquisition.

Senator EXON. Thank you, General.

My time is up. Thank you, Mr. Chairman.

Chairman NUNN. Senator Glenn.

Senator GLENN. Thank you, Mr. Chairman. Just a couple more questions here.

Do you have an Air Force rotation plan for the Mideast yet, for Desert Shield people?

General MCPEAK. No, sir.

Senator GLENN. When will that be in place? Because you have people who are going to have been over there a couple months now very shortly.

General MCPEAK. Yes, sir.

Senator GLENN. And if you are going to go on a 6-month rotation or something like that, it would have to be in place pretty quick. When do you think you will have that?

General MCPEAK. Sir, I do not know. First of all, I am not sure that there will be an Air Force rotation policy. I have a hunch that we will try to come up with some sort of a uniform approach for all the services.

Senator GLENN. I imagine that is probably true. Do you have any idea, what would you recommend? Do you have a feel for that?

General MCPEAK. No, sir, I do not. I have been continuing to run my job out there in Honolulu, although I have been in and out of town. I have not been meeting with the Joint Chiefs. They are seized with that problem. I just cannot give you a current position report on where they are.

Senator GLENN. Have you had a chance to look into the command structure over there yet, if we actually get into combat what the air command structure would be? It would report through General Schwartzkopf, of course, but beyond that how it would cooperate with other air assets?

General MCPEAK. I have a general understanding of it, Senator, but I am not sure I am the best witness on that question.

Senator GLENN. Okay. There have been a number of accidents over there. Have you had a chance to talk to anybody about that as to why? Were they just trying to train too realistically or is it desert conditions, or all of the above, or what?

General McPEAK. I think they were trying to train too realistically. They stood down, as you may know, for a day and talked it over, and resumed training under a little more conservative guidelines, and so far that has been successful. We have not had any more accidents.

Senator GLENN. There have been some reports that some of the equipment was not doing so hot over there in that kind of heat, in the powder sand environment. Have you had a chance to look at that yet?

General McPEAK. No, sir, I have not heard—I have heard some rumors to that, but whenever I have asked the question the answer I get back is, not true, that the equipment is doing very well.

Senator GLENN. Do you plan any changes in overall Air Force organization at this point?

General McPEAK. Yes, sir. I, of course, have to study—I have some ideas. I have to submit them to rigorous analysis, and of course the Secretary is the one who makes those decisions. So I would be making recommendations to the Secretary.

But I have some sizable reorganization ideas in mind.

Senator GLENN. We would appreciate very much being cut in on what those plans are, either on a confidential basis or whatever, at the earliest stage, because I chair the Manpower Subcommittee. We discussed that the other day when you were in the office. When you have some reorganization plans on what it is going to take, we would like to have that information as early as possible, so we can work with you.

Too often we get at odds back and forth across the river, and I would much rather work in advance on a cooperative basis. It can be confidential or whatever. Then we know what is going on.

General McPEAK. I agree completely.

Senator GLENN. You mentioned, in reply to Senator Lott's question about the Air Force problems, that it was mainly a matter of appearance. But I would submit to you it is not all just appearance. We follow things very closely from this side of the river over here, and part of it is actual performance.

It is not overseeing Northrop, it is not having people there. We have trouble getting cost figures, then they are changed seven times, so we think we were given fictitious figures to begin with, which I think quite often, looking back on it, we were. Test results are hard to come by sometimes when we need that information.

I would just welcome the opportunity to work with you and not be working at odds back and forth across the river. So we need to work hand in glove in that.

Senator Lott also brought up pilots. We expect, by the recent estimates, that the airlines and commercial air interests are going to be using about 7,000 pilots a year for the next 10 years.

General McPEAK. It is amazing.

Senator GLENN. About two-thirds of those pilots come out of the military.

General McPEAK. Right.

Senator GLENN. You were forecasting the Air Force to be about 2,500 pilots short by 1992.

General McPEAK. Right.

Senator GLENN. I think the stuff we did on pilot, ACIP and some things like that, Air Crew Incentive Pay, they apparently have helped. They helped the Navy some. The Navy was 1,300 pilots short last year. They are down to about 800 now. We hope this is working in the Air Force also.

But that is absolutely critical.

General McPEAK. Yes, sir, I could not agree more.

Senator GLENN. It does not do any good to buy all the equipment if we do not have the good people out there to fly it, and too often they want to get out.

You mention the compensation. We are never going to be able to compete with the airlines. I can tell you that right now, on compensation. There are all these other benefits to military flying, I agree completely with your statement on that, but that means you keep those in the cockpit that want to fly, and sometimes with all of our purple suit requirements and Goldwater-Nichols and all these different things we require, I think we have to look at that one of these days and see if maybe we have gone too far in some of those requirements, the way we are taking people out of the basic jobs that are combat jobs. And that applies across the others, too.

General McPEAK. Yes, sir.

Senator GLENN. I think that is about it. Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator Glenn.

General, we have a vote up there and it will probably take us 10 minutes to get back, and then we will go directly into executive session. We will finish with the closed session. This executive session is on personnel matters and promotion matters, and under our rules of this body any time there is something that could come up in that context that "would injure the professional standing of an individual or otherwise expose an individual to public contempt," we do have authority to go into executive session.

Is there any objection to an executive session? Any objection to an executive session on those personnel matters?

Senator GLENN. I will move we go into executive session.

Chairman NUNN. Without objection, we will be in executive session when we come back in about 10 minutes.

[Whereupon, at 3:30 p.m., the committee was recessed, to reconvene in executive session. The committee reconvened in executive session at 3:30 p.m. and adjourned at 4:15 p.m.]

[Prepared questions submitted to Gen. Merrill A. McPeak by Senator Nunn prior to the hearing with answers supplied follow:]

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, October 1, 1990.

MEMORANDUM TO MEMBERS OF THE ARMED SERVICES COMMITTEE
FROM: ARNOLD PUNARO, STAFF DIRECTOR
SUBJECT: ADVANCED QUESTIONS AND ANSWERS FOR GEN. MERRILL A. MCPEAK

Enclosed are answers to questions from Chairman Nunn to General Merrill A. McPeak in advance of his confirmation hearing for the position of Chief of Staff of the Air Force. These answers were delivered to the Committee on Monday morning, October 1, 1990. Brig. Gen. Brett M. Dula, Director of Air Force Legislative Liaison, has informed the committee that the answers delivered on October 1, 1990 replace a previous set of answers that had been delivered to the committee at 7:00 p.m. on

Friday, September 28. Brig. Gen. Dula indicated that the changes between the two sets of answers were not substantive. The committee has retained the first set of answers in our files.

The Chairman intends to hold a hearing on this nomination as soon as the committee's schedule permits. You will be informed of the time as soon as the hearing is scheduled.

Enclosure.

DEPARTMENT OF THE AIR FORCE,
HEADQUARTERS PACIFIC AIR FORCE,
Hickam Air Force Base, HI, September 28, 1990.

Chairman SAM NUNN,
U.S. Senate, Committee on Armed Services, Washington, DC.

DEAR MR. CHAIRMAN: I am pleased to provide my views on those key defense policy and management issues raised in your letter. I look forward to the opportunity to discuss these and other defense issues with you and your colleagues in the future.

Sincerely,

MERRILL A. MCPEAK,
General, USAF, Commander in Chief.

VISION FOR THE AIR FORCE

Question 1. If confirmed, you will have the opportunity to lead the Air Force during a period of significant change and to influence the shape of the Air Force as it approaches and enters the 21st century.

a. What do you believe the Air Force's highest priority should be in preparing itself for operations in the next century?

Answer. My highest priority is readiness, the day-to-day combat capability of the whole Air Force. That means we must have quality people who are well led and highly motivated. We must provide our people with first class equipment and sufficient funding to insure we are trained and ready to fight. We must send the unmistakable message that we are ready to operate throughout the spectrum of conflict from anti-drug, counter-terrorism, low intensity conventional conflict, to strategic nuclear war. Our best bet for avoiding combat is deterrence. Although we would rather avoid combat if we can, our highest priority is to be able to fight and win if we must.

b. What do you consider to be the most serious problems in the management and operations of the Department of the Air Force?

Answer. It seems clear that we will have a smaller Air Force in the years ahead. A central management problem will be to maximize combat capability in the residual force. I'm convinced that we can do this in part by reducing overhead. We need to emphasize fewer, smaller headquarters. We must consolidate operations on fewer installations. We may need to consider divestiture of certain less essential functions.

c. What management activities and timetables would you establish to address these challenges and problems?

Answer. Within the first 6 months, establish a plan to reorganize the Air Staff and reduce its size. At the same time, produce guidelines for Air Force basing structure to the year 2000 and lay out a plan to reorganize at base level. By that time I also want to produce a plan to significantly reduce the number of AF SOA's/DRUs.

d. What do you see as being the major technology thrusts of your tenure?

Answer. I would place my emphasis on: improved reliability and maintainability in Air Force systems, especially avionics and engines; low observables; IFF; standoff PGMs; microelectronics; materiels; software development and engineering; manufacturing; and product development time.

DEFENSE REFORMS

Question 2. a. Do you support the defense reforms mandated in 1986: the Goldwater-Nichols Department of Defense Reorganization Act, the Packard Commission recommendations, and the special operations and low intensity conflict reforms?

Answer. Yes, except for one detail. I don't believe that gunships are "special" They should be returned to the conventional theater operations category.

b. What role will you play in the full and timely implementation of these reforms?

Answer. I support the enhanced authority of the CJCS and warfighting CINCs. We will continue to send our best people to joint assignments. I fully support acquisition reform and streamlining.

c. What do you understand the role of the Chief of Staff to be under the Goldwater-Nichols Act relative to the Secretary of Defense, the Secretary of the Air Force, the Chairman of the Joint Chiefs of Staff, and the combatant commanders?

Answer. I will act as an advisor to CJCS on Air Force Operational capabilities and as an advisor to SECAF on raising, training and equipage of the Air Force.

d. What role does the Chief of Staff of the Air Force have with respect to planning for and execution of military operations?

Answer. The law is specific on this point. The Chief presides over the Air Staff and serves subject to the authority of the Secretary of the Air Force, who is responsible for organizing, training and equipping the Air Force to meet national security requirements. The Chief transmits plans and provides advice and recommendations to the Secretary and keeps him fully informed of military operations.

As a member of the JCS, the Chief of Staff provides military advice to the Chairman regarding the role, capabilities and operations of the Air Force. The chain of command flows from the President to the Secretary of Defense through the Chairman to the combatant CINC, so the role of the service chief is advisory by nature.

COMBATANT COMMANDERS

Question 3. One of the objectives of the various defense reform measures was to make the PPBS more responsive to the operational requirements of the combatant commanders. You have participated first hand in that process as the Air Force component commander for CINCPAC.

a. What is your view as to the progress that has been made toward the goal of meeting the CINC's operational requirements?

Answer. Mixed results. Some CINC's have been very effective, some less so. In general, I feel the CINCs have had plenty of opportunity to make their case in the resource allocation process.

b. Are there any other steps that you would take or recommend, if you are confirmed as Chief of Staff of the Air Force, to further that goal?

Answer. No. I would continue to emphasize the use of the existing, reformed PPBS system.

RESPONSIBILITIES TO THE SECRETARY OF DEFENSE

Question 4. Should you be confirmed as Chief of Staff of the Air Force, what would you view as your principal responsibilities to the Secretary of the Air Force and the Secretary of Defense?

Answer. My primary responsibility is to provide military advice concerning the capabilities, roles and operations of the Air Force through the CJCS to SECDEF. Naturally, I will also inform the Secretary of the Air Force of military advice rendered to and by the JCS on matters affecting the Air Force.

AIR POWER

Question 5. Operation Desert Shield demonstrates the importance of Air Power.

a. What do you see as the role of air power in this operation?

Answer. Air power proved responsive to the immediate requirement of containing Iraqi aggression. The Saudi's, I think, are convinced that U.S. F-15s flying combat air patrol along their borders within 24 hours of departure from Langley were a primary contributor to deterring a planned Iraqi advance onto their territory. Subsequent rapid deployment of the full range of Air Force capabilities—in place within weeks—along with the indispensable support of airlift, tankers and space assets, has provided both CINCCENT and the President with a variety of executable options almost from the start of the crisis.

b. In a general sense, do you consider long range bombers to be an alternative to sea-based aviation as a means to project power?

Answer. Bombers are integral to Desert Shield operations and this reflects the importance they have in Defense Department planning. Their combination of responsiveness, range and payload (quantity and variety) is not duplicated by any other system. They represent a powerful deterrent and a proven combat capability. By comparison with sea-based aviation, bombers have certain advantages and certain disadvantages. The two types of systems are team mates, not competitors.

c. Can land based tactical air in forward deployed locations reduce the need for carrier-based aviation in the same geographic area (e.g. Crotone versus carriers in the Mediterranean)?

Answer. I believe land-based tactical air does reduce the need for carrier-based aviation in the same geographic area.

d. Do Defense Department plans fully utilize the potential of long-range bombers?

Answer. Yes. Air Force performance thus far in support of Desert Shield lends operational reality to Secretary Rice's air power theme of "Global Reach-Global Power."

ACTIVE/RESERVE FORCE MIX

Question 6. Earlier this year, numerous witnesses testified before this committee that as the budget declines, the Air Force should shift more of the flying burden to Reserve units. As budget resources continue to decline, do you favor a smaller Air Force with the current proportion of Active and Reserve units, or a somewhat larger Air Force with a greater proportion of Reserve units?

Answer. This question requires a complex answer because in some mission areas the mix is about right, and as we grow smaller we should maintain the ratio. For instance, in strategic retaliatory forces, we are likely to keep it 100 percent active and reduce in size. As a practical matter, Reserve forces now dominate in CONUS defense and tactical recce, and that will not likely change as the force diminishes. In some areas, such as air refueling, I would favor keeping total force structure and putting more in the Reserve. And, as we draw down overseas, with the associated reduction in rotation base requirements, we may be able to move some more tactical fighter mission to the Guard and Reserve. However, we need to be careful because the Active force is the seed corn that grows equipment and personnel for the Reserve component. Too small an Active force means an inevitable downstream impact on our ability to form Reserve units of high capability.

The goal is to attain the proper balance in each mission area so that we meet our security needs while reducing operational costs.

AVAILABILITY OF RESERVE MILITARY PERSONNEL

Question 7. From the Air Force perspective:

a. Has Operation Desert Shield been impeded in any way by the inability to mobilize or call up Reserve military personnel?

Answer. No. By the time the President called up the Reserves, more than 6,000 Air Force reservists and 4,500 Air National Guard members were serving voluntarily. Since the call up, 3,000 more members have responded. Needless to say, I'm very proud of our Guard and Reserve performance to date.

b. Are any changes in Reserve call-up authority required in light of the Air Force's experience to date in Operation Desert Shield?

Answer. Not to my knowledge.

c. What have Air Force National Guard and Reserve personnel contributed to Operation Desert Shield?

Answer. Air Force Reserve components have played a crucial part in the airlift and air refueling activities required to move and sustain our forces in Saudi Arabia. Large numbers of Reserve component C-5s, C-141s, and KC-135s have provided essential support. More than 10,000 Air National Guard and Air Force Reserve personnel have volunteered or been activated to help with aerial ports, fire protection; and medical support. This has been a very strong performance by our Reserve forces.

READINESS AND SUSTAINABILITY OF AIR FORCE FORCES

Question 8. Press reports indicate that Air Force units were forced to cannibalize other aircraft for spare parts in order to support the Desert Shield operation.

a. Are these reports correct?

Answer. Yes. Prior to the actual deployment, some units did cannibalize parts from non-deploying aircraft to fill War Reserve Spares Kits (WRSK). While this is not the normal procedure for a training deployment, it is the procedure for going to war. By and large, items cannibalized were quickly replaced through expedited base and depot level repair.

b. What is your assessment of the current sustainability posture of the Air Force?

Answer. Overall, our current sustainability is excellent. As a result of good funding in the early to mid-eighties, we project that our fighter and airlift aircraft can meet planned sortie rates.

One concern though, is that both the House and Senate authorization bills zeroed the fiscal year 1991 WRM request. Given procurement lead times of about 2 years, this action will begin to impact our overall capability in fiscal year 1993.

STRATEGIC BOMBER MODERNIZATION

Question 9. In his Major Aircraft Review, Secretary Cheney recommended a reduction in the inventory goal of the B-2 bomber from 132 to 75 aircraft.

a. Are 75 B-2 bombers sufficient to accomplish targeting requirements?

Answer. Yes, if we reach an equitable and verifiable START agreement.

b. If the Air Force is forced to retire B-52 squadrons in coming years because of budget pressure, will 75 B-2 aircraft be sufficient to cover those requirements?

Answer. Assuming you are referring to retiring the B-52G and that we modernize the strategic forces along the lines laid out in the President's budget proposals, we should be able to cover the target base we foresee. Without the B-2 I am not sure we can cover the target base.

c. The Desert Shield operation has illustrated the potential role of heavy bombers in conventional operations. How important is the B-2 in meeting the Air Force's conventional bomber requirements?

Answer. I am enthusiastic about the potential for using the B-2 in a conventional role. Its combination of range, quick response and ability to restore the element of surprise to conventional operations offers the prospect of dramatic improvement in theater air capabilities. Moreover, it can operate from U.S. sovereign territory.

More specifically, the B-2 helps solve the two most significant problems that face us in a scenario like Desert Shield—Suppression of Enemy Air Defenses, and the huge requirement for tanker support. The stealth characteristics of the B-2 reduce the SEAD problem, and its unrefueled range reduces the need for large numbers of tankers.

BALANCE AS WINGS ARE DEACTIVATED

Question 10. Air Force witnesses have indicated that future budget plans are likely to call for the Air Force to deactivate 6 to 8 tactical fighter wings over the next 5 years. If reductions of this magnitude are required, how do you think the reductions should be balanced between cuts in overseas force structure versus force structure in the United States?

Answer. If we make cuts of this magnitude, I believe they should be made mostly overseas and, overseas, primarily in Europe. There are only 4 TFWEs in the Pacific, counting Alaska. This is already an economy of force operation and, therefore, should be reduced only marginally, if at all.

IMPLEMENTING FOFA

Question 11. The United States has made the Follow-On Forces Attack (FOFA) strategy the keystone of its conventional defense strategy in Western Europe.

a. Is the FOFA concept limited to a conventional war in Europe or is the concept applicable in other theaters?

Answer. FOFA is not a new idea. In essence, it is what the Air Force calls interdiction. As I understand the concept, FOFA focuses the interdiction effort against a specific force to achieve a specific objective, while interdiction applies across the depth and breadth of the operational theater. In my view, FOFA, and more broadly interdiction, applies to any scenario, anywhere sustained combat operations will be conducted. The larger the opposing force, the more that force depends upon high operating tempos, and the more that force deploys in echelon to meet its objectives, the more applicable the FOFA concept.

b. Is the Joint Surveillance and Target Acquisition Radar (JSTARS) program still required for FOFA and for other military missions?

Answer. It may not be required in the sense that we will do interdiction with or without JSTARS. But JSTARS will certainly improve markedly our joint capabilities to do interdiction. It will be particularly useful with fewer in-place and augmenting forces. And, since it is a joint system providing battlefield surveillance to both ground and air commanders, it will greatly improve our ability to operate as a combined arms team because all commanders will see and understand the battlefield situation in the same way.

c. Would the JSTARS system be helpful in support of the Desert Shield operation?

Answer. Yes, JSTARS would deploy quickly as part of a rapid reaction force, along with AWACS, fighters and tankers. It would provide the kind of accurate, timely intelligence needed to allow commanders to target Iraqi armored forces and supply lines.

d. Will you continue to give high priority to full development and deployment of the JSTARS capability?

Answer. Yes. In light of recent changes in the international security environment, we are reevaluating deployment schemes and the total aircraft requirement. These requirements may change. But the basic need for the capability JSTARS provides will remain despite the reduction of tensions in Europe.

PILOT RETENTION

Question 12. The Air Force has argued in recent years that it is increasingly difficult to retain trained pilots and has imposed several alternative solutions. What is your assessment of the pilot retention problem and what alternatives would you suggest?

Answer. Pilot retention remains a problem for us. I would like to personally acknowledge the strong support Congress has provided. The Aviator Continuation Pay (the "bonus") was implemented in January 1989 and continued for the fiscal years 1990-1991 program. The "bonus" has helped. The increase in Aviator Career Incentive Pay, or flight pay, effective November 1989 is also important to pilot retention.

I think we have to keep after the pay problem because we are in a market competition for pilots and the market is acting just like the free market does: the resource moves toward the highest bidder. But pay is not the whole story. I'm convinced that we need to make it possible for a good officer to have a fulfilling career as a flyer in the Air Force. (I consider myself a career pilot. I'm still current and qualified in the F-15, although this condition may not last long if I'm confirmed as Chief of Staff.) We've made some of the right moves in this regard; we need to do more. We also need to continue to emphasize duty, service, commitment and calling to our higher cause.

MANAGEMENT ACCOUNTABILITY

Question 13. Shortly after the completion of Secretary Cheney's Major Aircraft Review (MAR), significant new information came to light about problems in some of the aircraft programs included in the review. Further schedule delays were announced on the C-17, and major funding shortfalls were reported on the B-2.

a. Did the Air Force acquisition system know of these problems at the time the Major Aircraft Review was conducted?

Answer. I don't know, based on personal knowledge. I am told—and I have no reason to doubt it—that the Air Force knew of all of the problems and made all members of the working group and the steering committee knowledgeable of these. The Air Force was aware that C-17 delays were possible and was investigating the issue. We did not withhold information from anyone. A decision was made to slip the schedule during the time the MAR was being conducted. There was no intent to hide this decision; it simply occurred during the MAR.

I understand that similar circumstances apply to the B-2. During the MAR process, B-2 unfunded requirements were identified for various buy profiles. Unfortunately, the analyst who costed SECDEF's decision left this out of the calculations. We did not withhold information from anyone. Since the announcement, the Air Force and OSD have reconciled their costing differences and a unified position has been briefed to Congress.

b. Was the Major Aircraft Review steering committee apprised of the problems by the Air Force at the time of the review?

Answer. Yes, when the Air Force determined that there would be a slip in the C-17 schedule, the Steering Committee was informed. For the B-2, the answer to this question is also yes. In fact the OSD/CAIG and the Air Force had a consolidated cost estimate prior to completion of the MAR. Furthermore, the OSD MAR team was fully briefed on program status and visited B-2 facilities in California.

c. What steps will you take as Chief of Staff to ensure that the status of major programs is made available to decisionmakers in the Department of Defense and Congress in a timely fashion?

Answer. I will not hide information from DOD. Period. I will work with SECAF, CJCS and SECDEF to ensure that Congress receives all information authorized and requested.

ICBM MODERNIZATION

Question 14. In an August 2 speech on defense, President Bush said the following about our ICBM modernization program:

"We can defer final decisions on our land-based ICBMs as we see how the START talks proceed—but we must keep our options open; and that means completing the development of the Small ICBM and the rail-based Peacekeeper."

What timetable would you recommend for completing research and development on each of these missile systems?

Answer. In the context of arms control we need to sustain the thrust of the President's budget and continue modernization of our land-based missiles.

Sustaining the President's current Peacekeeper Rail Garrison program completes research, development and testing in fiscal year 1993. This program includes five flight tests from rail cars in third quarter fiscal year 1992 through second quarter fiscal year 1993. Current President's budget for deploying rail garrison in fiscal year 1992 is not achievable, due, primarily, to two factors: SECDEF's MILCON moratorium and AF decision not to obligate fiscal year 1990 procurement funds.

I recommend continuing the President's current Small ICBM research and development timetable which includes completion of Critical Design Reviews by fourth quarter 1994. This permits flight tests No. 3 through 16 from third quarter 1993 to first quarter fiscal year 1998. We are currently in full scale development leading toward an IOC of late 1997.

TACTICAL AIR-TO-SURFACE MISSILE

Question 15. The political acceptability of a future deployment of the Tactical Air-to-Surface Missile (TASM) in a unified Germany appears very much in doubt.

a. Would you recommend that Congress continue to fund development of TASM if it could not be deployed in Germany?

Answer. I'm not sure. Germany provides a critical link in the total European deployment, but basing the system in the United Kingdom or even in the CONUS may be sufficient to meet NATO's nuclear deterrent strategy. We also have requirements in other parts of the world.

b. Would you recommend funding if not only Germany but also the other European allies in NATO said no to peacetime deployment of this system on their soil?

Answer. Maybe. I need to take a longer look at the picture outside Europe. May need more analysis, or just get up to speed on existing analyses.

BASING THE 401ST TFW IN ITALY

Question 16. General Galvin lists construction of the NATO air base at Crotone, Italy, as one of his highest priorities.

a. Do you share his view?

I support General Galvin and the administration's position on building Crotone.

b. If so, do you believe the Air Force can devise a sensible and cost effective basing option at Crotone that would reduce cost through implementation of an austere construction plan coupled with a rotational concept for at least some of the U.S. tactical air forces deployed there?

Answer. Yes, especially as an interim position. Over the longer pull, rotation looks less attractive.

c. How can the expenses of building this base be reduced to the barest minimum, particularly in the category of "nice to have" vice "must have?"

Answer. If we go ahead with Crotone, we ought not to reduce building expenses to the "barest minimum." We need operating and support facilities that make it possible for our units stationed there to be productive and make a quality contribution. We ought not to gold-plate it, but I am told that we have conducted a rigorous review of proposed facility support and have already scaled down our plans somewhat. For example, we reduced the land requirement by 1,185 acres, reduced military family housing by 318 units, relocated Headquarters 16th Air Force to another location, used communications equipment from U.S. base closures in Europe, and so forth. We will continue to keep facility requirements under review.

CLOSE AIR SUPPORT

Question 17. The former Chairman of the Joint Chiefs of Staff, Admiral Crowe, as one of his last acts in office, recommended that the assignment of service functions for close air support be clarified and specifically that all four services be tasked to provide close air support as a primary function. What is your view on this important issue?

Answer. I strongly disagree with Admiral Crowe (for whom, nevertheless, I have great respect). I consider CAS a core mission of our tactical forces. It is the mission we want to do. My idea of a good day in combat is when we apply lots of tactical air power at the FLOT to provide close support for our ground forces. When we do this it means our other principal missions—air superiority, theater air, and interdiction—are well in hand. In this regard we have a good relationship with the other services. I will continue to strengthen it as a early agenda item. We are a fully committed member of the combined arms team.

SPACE FUNCTIONS

Question 18. Admiral Crowe also recommended that the Air Force have primary responsibility for space functions; the Army have responsibility for space functions which directly contribute to land operations; and the Navy have responsibility for space functions which directly contribute to maritime operations. What is your view on this important issue?

Answer. In my view, the Air Force has the force structure, facilities and has budgeted resources to provide space based services for all users. However, each service has unique operational needs which only they can best define. Accordingly, within reasonable limits, each service should have a role in space. However, we cannot and should not pay to duplicate capabilities, just so each service can have a piece of the action.

STANDOFF MUNITIONS

Question 19. Despite 10 years of discussion, the Air Force still lacks munitions that permit a standoff distance for attacking aircraft. The most recent standoff munitions program—The Modular Standoff Weapon—was terminated by the Air Force this last year.

a. How important are standoff weapons for the survivability of combat aircraft?

Answer. They can be very important. Standoff precision munitions reduce the need for a range of support assets to attack high value targets and proportionally reduce the number of assets placed in harm's way. At the same time, precision standoff weapons are expensive. In many cases, the combination of manned aircraft, precision avionics, and inexpensive munitions provides the best answer. We need a balance of capabilities.

b. What will you do to ensure that standoff conventional munitions have a higher priority than was accorded them by your predecessors?

Answer. I'm sure you're familiar with the Air Force's framework for the future—Global Reach-Global Power. It describes how U.S. forces must be able to provide a rapid, tailored response with a capability to intervene against a well equipped foe, hit hard, and terminate quickly. The implication for U.S. forces is a requirement for fast, agile, modernized conventional capabilities. I can assure you that precision standoff munitions have a more prominent role in fulfilling these requirements today than they had in the past, and I'm convinced of their relevance in the threat environment we now face.

STANDARDS OF CONDUCT

Question 20. There have been a number of reported incidents indicating certain lapses in the adherence to expected standards of professional and personal conduct by senior Air Force officers. In certain cases, such as the one involving widespread financial mismanagement of morale, welfare, and recreation programs, the uniformed leadership of the Air Force has been slow to take corrective action. As a result, a bad situation became even worse.

Also, in a number of these and other reported incidents, the uniformed leadership appears to have been reluctant to hold senior officers accountable for their actions. The tendency appears to be to resort to the issuance of verbal admonishments or letters of admonishment that are out of character with the seriousness of the incident, and which are not part of a permanent record.

a. What standards of professional and personal conduct do you expect of your officer corps?

Answer. I expect officers to adhere to high ethical standards.

b. How do you intend to hold individual officers, particularly senior ones, accountable to those standards?

Answer. Senior officers who violate ethical standards will be dealt with harshly and promptly.

c. What will you do to ensure that uniform standards are applied in dealing with infractions?

Answer. I'm not sure "uniform" standards should be applied. In my experience each case is unique. Intentions mean a lot to me. In general, harsh, prompt measures need to be taken in cases of deliberate violation of the law, abuse of position, or unethical conduct. But, sometimes mistakes are made because people are human. We ought not be a "one mistake" Air Force. I guess my view is best summarized by

the old saying: "It's not a crime to make a mistake; but it's a mistake to commit a crime." We need to distinguish between these two types of errors, rather than focus on uniform punishment standards.

[The nomination reference of Gen. Merrill A. McPeak follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
September 24, 1990.

(Under authority of the order of the Senate of January 3, 1989.)

Ordered, That the following nomination be referred to the Committee on Armed Services:

The following named officer for reappointment to the grade indicated while serving in a position of importance and responsibility designated by the President under the provisions of Title 10, United States Code, Section 601, and to be appointed as Chief of Staff, United States Air Force under the provisions of Title 10, United States Code, Section 8033:

To be General

To be Chief of Staff, United States Air Force

Gen. Merrill A. McPeak, 554-44-2858, United States Air Force.

[The biographical sketch of Gen. Merrill A. McPeak, which was transmitted to the committee at the time the nomination was referred, follows:]

Asst CofS, Central Rgn Ops Ctr, NATO/AAFCE, Boerfink MTK, Germany	Jul 78	Feb 80
Comdr, 20 TFWg, USAFE, RAF Upper Heyford, England	Feb 80	Jun 81
Chief of Staff, Hq USAFE, Ramstein AB, Germany	Jun 81	Oct 82
DCS/Plans, Hq TAC, Langley AFB, VA	Oct 82	May 85
DCS/Programs & Resources, Hq USAF, Wash DC	May 85	Jun 87
Comdr, 12 AF; & Comdr, US Southern Air Forces (USSOUTHCOM), TAC, Bergstrom AFB, TX	Jun 87	Jul 88
CINCPACAF; Air Comp Comdr for USCINCPAC; & Exec Dir, PACDPS, Hickam AFB, HI	Jul 88	Present

PROMOTIONS:	EFFECTIVE DATE:
Second Lieutenant	19 Jun 57
First Lieutenant	30 May 59
Captain	1 Oct 62
Major	20 May 68
Lieutenant Colonel	1 Nov 72
Colonel	1 Apr 74
Brigadier General	1 Jul 81
Major General	1 Oct 83
Lieutenant General	22 May 85
General	1 Aug 88

DECORATIONS AND AWARDS:

Air Force Distinguished Service Medal
Silver Star
Legion of Merit with one Bronze Oak Leaf Cluster
Distinguished Flying Cross with one Bronze Oak Leaf Cluster
Meritorious Service Medal
Air Medal with two Silver Oak Leaf Clusters and three Bronze Oak Leaf Clusters
Air Force Commendation Medal with three Bronze Oak Leaf Clusters
Air Force Outstanding Unit Award
Air Force Organizational Excellence Award with one Bronze Oak Leaf Cluster
Combat Readiness Medal
National Defense Service Medal
Vietnam Service Medal with four Bronze Service Stars
Air Force Overseas (Short) Ribbon
Air Force Overseas (Long) Ribbon with one Bronze Oak Leaf Cluster
Air Force Longevity Service Award Ribbon with one Silver Oak Leaf Cluster and two Bronze Oak Leaf Clusters
Small Arms Expert Marksmanship Ribbon
Air Force Training Ribbon
Republic of Vietnam Gallantry Cross with Palm
Republic of Vietnam Campaign Medal

DATE AND PLACE OF BIRTH: 9 January 1936, Santa Rosa, California

YEARS OF ACTIVE SERVICE: Over 32 years as of 30 November 1989

SCHOOLS ATTENDED AND DEGREES: San Diego St College, BA, 1957; Geo Wash Univ, MA, 1974; Sq Off Sch, 1964; Armed Forces Stf College, 1970; National War College, 1974; Prim & Basic Plt Tng Crs, 1959; Adv Fly Sch, 1959; Cmbt Surv Tng Crs, 1959; Ops Tng Crs, 1959; AGOS, 1961; Basic Abn Crs, 1963; Lang Sch, 1975

AERONAUTICAL RATING: Command Pilot

MAJOR PERMANENT DUTY ASSIGNMENTS:	FROM	TO
USAFR, Not on Active Duty	Jun 57	Nov 57
Stu Ofcr, Prim Plt Tng, 3304 PTGp, ATC, Hondo AB, TX	Nov 57	Jul 58
Stu Ofcr, Bsc Plt Tng, 3575 PTSq, ATC, Vance AFB, OK	Jul 58	Feb 59
Stu Ofcr, Adv Fly Sch, 4510 CCTGp, ATC, Luke AFB, AZ	Feb 59	Aug 59
Stu Ofcr, USAF Opnl Tng Crs, F-100, 4520 CCTGp, TAC, Nellis AFB, NV	Aug 59	Dec 59
Plt, Tac Ftr, F-104, 436 TFSq, TAC, George AFB, CA	Dec 59	Aug 61
Plt, Tac Ftr, F-100, 79 TFSq, USAFE, RAF Woodbridge, England	Aug 61	May 63
Asst Flt Comdr, F-100, 79 TFSq, USAFE, RAF Woodbridge, England	Jun 63	May 64
F-100 Specialist, Ftr Div, Hq 3 AF, USAFE, South Ruislip AS, France	May 64	Feb 65
Ftr Ofcr, F-100, Hq 3 AF, USAFE, South Ruislip AS, France	Feb 65	Sep 65
Instr Plt, F-104, 4512 CCTSq, TAC, Luke AFB, AZ	Sep 65	Aug 66
Weapons Ofcr, 4510 CCTWg, TAC, Luke AFB, AZ	Aug 66	Dec 66
Demonstration Plt, USAF ADSq (Thunderbirds), TAC, Nellis AFB, NV	Dec 66	Dec 68
Plt, Tac Ftr, F-100, 612 TFSq, Det 1, PACAF, Phu Cat AB, Vietnam	Dec 68	Mar 69
Commando Sabre Ops Ofcr, 416 TFSq, PACAF, Tuy Hoa AB, Vietnam	Apr 69	Aug 69
Ch, Stan/Eval Div, 31 TFWg, PACAF, Tuy Hoa AB, Vietnam	Aug 69	Feb 70
Stu, Armed Forces Staff College, Hq Comd, Norfolk, VA	Feb 70	Jul 70
Air Ops Stf Ofcr, Pacific-Southeast Asia Br, AF/XOXXEP, Hq USAF, Wash DC	Jul 70	Jul 71
Air Ops Ofcr Gen, NEAPSA Br, AF/XOXXEN, Hq USAF, Wash DC	Aug 71	Aug 73
Stu, National War College, NDU, Ft McNair, Wash DC	Aug 73	Jun 74
Asst Dep Comdr for Ops, 1 TFWg, TAC, MacDill AFB, FL	Jun 74	Apr 75
Stu Ofcr, French Language Crs, Defense Language Inst, East Coast Br, Det AA, 1133 USAFSASq, Hq Comd, Wash DC	Apr 75	Sep 75
AF Rsch Assoc, Military Fellow, Council on Foreign Relations, AFIT, AU, Wright-Patterson AFB, OH	Sep 75	Jun 76
Comdr, 513 CSGp, USAFE, RAF Mildenhall, England	Jun 76	Jul 77
Vice Comdr, 406 TFTWg, USAFE, Zaragoza AB, Spain	Jul 77	Jul 78

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON DC

24 SEP 1990

Honorable Sam Nunn
Chairman, Committee on Armed Services
United States Senate

Dear Mr. Chairman:

The President, under the provisions of Section 601 and 8033, Title 10 of the United States Code, has submitted to the Senate the nomination of the following general officer for reassignment in his current grade:

NAME, GRADE AND SSAN	AGE	ASSIGNMENT (From/To)
Merrill A. McPeak General 554-44-2858FR	54	From Commander in Chief, Pacific Air Forces; Air Component Commander for USCINCPAC; and Executive Director, Pacific Air Combat Operations Staff to Chief of Staff, United States Air Force

Confirmation action before the October Senate adjournment will ensure a smooth transition for General McPeak to this critical position. This action will not result in the Air Force exceeding the number of general officers authorized by law.

For the information of the Committee, I am enclosing a military history on General McPeak.

Sincerely,

Thomas J. Hickey
THOMAS J. HICKEY
Lieutenant General, USAF
Deputy Chief of Staff,
Personnel

1 Attachment
Military History

SUMMARY OF JOINT ASSIGNMENTS:

ASSIGNMENTS:	DATES:	GRADE:
* Deputy Chief of Staff/Programs and Resources, Headquarters United States Air Force, Washington DC	May 85 - Jun 87	Lt General
Assistant Chief of Staff, Central Region Operations Center, North Atlantic Treaty Organization/Allied Forces Central Europe, Boerfink Bunker, Germany	Jul 78 - Feb 80	Colonel
* Air Operations Staff Officer, North Eastern, African, and South Asian Affairs Branch, Eastern Regional Division, Directorate of Plans, Deputy Chief of Staff/Plans and Operations, Headquarters United States Air Force, Washington DC	Aug 71 - Aug 73	Lt Colonel Major
* Air Operations Staff Officer, Pacific-Southeast Asia Branch, Eastern Regional Division, Directorate of Plans, Deputy Chief of Staff/Plans and Operations, Headquarters United States Air Force, Washington DC	Jul 70 - Jul 71	Major
* Commando Sabre Operations Officer, 416th Tactical Fighter Squadron, Pacific Air Forces, Phu Cat Air Base, Vietnam	Apr 69 - Aug 69	Major

* Joint Equivalent

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by Gen. Merrill A. McPeak in connection with his nomination follows:]

UNITED STATES SENATE

COMMITTEE ON ARMED SERVICES

Room SR-228

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearings and will also be published in any hearing record as well as made available to the public.

1. **Name:** (Include any former names used.)

Merrill Anthony McPeak.

Nickname: Tony.

Following the remarriages of my mother, I unofficially took in succession the names of my three stepfathers: Lawhead, Morse, Fuller. After 1952, reverted to legal name.

2. **Position to which nominated:**

Chief of Staff, United States Air Force.

3. **Date of nomination:**

September 24, 1990.

4. **Address:** (List current place of residence and office addresses.)

[Nominee responded and the information is contained in the committee's executive files.]

5. **Date and place of birth:**

January 9, 1936; Santa Rosa, CA.

6. **Marital Status:** (Include maiden name of wife or husband's name.)

Married: Wife's maiden name: Elynor F. Moskowitz.

Date of marriage: November 10, 1956.

Place of marriage: Yuma, Arizona.

7. **Names and ages of children:**

Mark A. McPeak, 33; Brian D. McPeak, 27.

8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.

1953, graduated from Grants Pass Union High School, Oregon.

1957, Bachelor of Arts Degree in Economics, San Diego State College.

1974, Master's Degree in International Relations, George Washington University, DC.

9. **Employment record:** List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.

February 1980 - June 1981: Commander, 20th Tactical Fighter Wing, Royal AF Station, Upper Heyford, England.

June 1981 - October 1982: Chief of Staff, HQ U.S. Air Forces in Europe, Ramstein AB, West Germany.

October 1982 - May 1985: Deputy Chief of Staff for Plans, HQ Tactical Air Command, Langley AFB, VA.

May 1985 - June 1987: Deputy Chief of Staff, Programs and Resources, HQ USAF, Washington, DC.

June 1987 - July 1988: Commander, 12th Air Force; and Commander, Southern Command Air Forces, Bergstrom AFB, TX.

July 1988 - Present: Commander in Chief, Pacific Air Forces, Hickam AFB, HI.

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

None.

11. **Business relationships:** List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

None.

12. **Memberships:** List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

Air Force Association (professional).
Daedalian Society (professional).
International Institute for Strategic Studies, London UK (professional).
New York Council on Foreign Relations (professional).
Pacific and Asian Affairs Council-Honolulu Committee on Foreign Relations (professional).
Rotary Club of Honolulu (service).
Board of Directors, American Red Cross, Hawaii Chapter (civic).
Oahu Council, Hawaii Chamber of Commerce (civic).
Executive Board, Boy Scouts of America, Aloha Council (civic).
Sigma Chi Fraternity (social).

13. **Political affiliations and activities:**

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

None.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $100 or more for the past 5 years.

None.

14. **Honors and Awards:** List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

July 1975 - June 1976: Military Fellow, Council on Foreign Relations, New York City.
"Significant Sig," 1988.
Distinguished Service Medal.
Silver Star.
Legion of Merit with 1 oak leaf cluster.
Distinguished Flying Cross with 1 oak leaf cluster.
Meritorious Service Medal.
Air Medal with 13 oak leaf clusters.
Air Force Commendation Medal with 3 oak leaf clusters.
Awarded pilot wings by air forces of Thailand, Mexico and Federal Republic of Germany.

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

"Training and Discipline, Keys to Maximum Performance," TAC ATTACK, August 1968.
"Israel: Borders and Security," FOREIGN AFFAIRS, April 1976.
"TAC Air Missions and the Fire Support Coordination Line," AIR UNIVERSITY REVIEW, September-October 1985.

16. **Speeches:** Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

Address to the Commonwealth Club of San Francisco, Dec. 8, 1988.

"Connecting Combat Capability in the Pacific" — Address to Air Force Association, St. Louis, MO, July 21, 1989.

Address, National Guard Convention, Detroit, MI, Sept. 21, 1989.

Address, 4th Annual Defense Electronics Conference and Exposition, Dec. 7, 1989.

Address, Air Force Association, Los Angeles, Oct. 27, 1989.

Address, Reserve Officers Association, Department of Oregon, Apr.28, 1990.

"Aerospace Defense Strategy of the Korean Peninsula in the Year 2000" — Address, Republic of Korea Air Force 4th Aerospace Symposium, Seoul, Korea, May 18, 1990.

Address, President's Round Table, San Diego State University, June 7, 1990.

(Speeches retained in committee files.)

17. **Selection:**

(a) Do you know why you were chosen for this nomination by the President?

No, but believe choice was made based on my professional qualifications and the recommendations of my departmental superiors.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular position?

Nearly 33 years of successful experience in a variety of operational and headquarters duties, command and staff, joint and combined service.

18. **Commitment to testify before Senate committees:** Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

Name: Richard A. Claytor.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past 10 years have your or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employers, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either, individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

MERRILL MCPEAK.

This 20th day of September, 1990.

[The nomination of Gen. Merrill A. McPeak was reported to the Senate by Senator Sam Nunn on October 27, 1990, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on October 27, 1990.]

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